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ABSTRACT

Cost control is the subject of this eight-lesson, three-test food service training manual. Lesson 1 deals with financial accountability and includes 17 handouts, ranging from sample balance to quarterly report sheets. Lesson 2 focuses on budgeting principles, and lesson 3 on labor controls. Professional purchasing, receiving, and inventorying procedures are outlined in lesson 5, while lessons 6 and 7 address menu and internal security controls. Lesson 9 deals with the importance of internal security in controlling cash and non-food supplies, and lesson 10 with energy, utilities, and purchased services controls. Lessons 4, 8, and 11 comprise a set of progress tests covering materials in the substantive lessons. Class activities, further references, and appendixes are included in the manual. (KS)

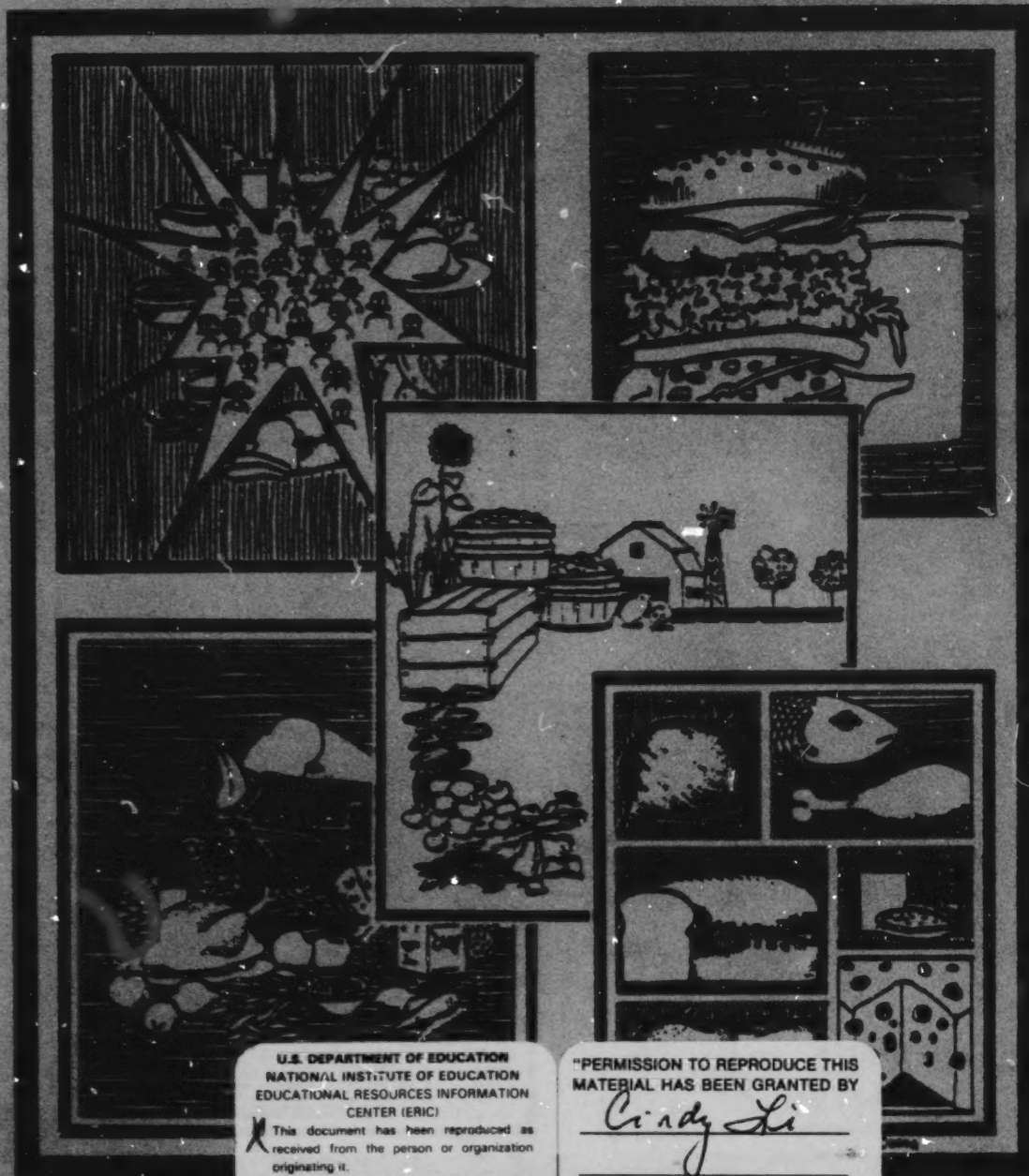
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COST CONTROL

Michigan School Food Service Training Manual



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Child Nutrition Programs are available to all eligible children regardless of race, color, or national origin.

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MICHIGAN BOARD OF EDUCATION

COST CONTROL

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

A. GOAL OF THIS LESSON

The goal of this lesson is to develop an understanding of financial accountability required of school foodservice.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. recognize basic accounting terms and principles essential in cost accounting;
2. understand effective controls necessary to operate a tight budget and yet serve good food;
3. be aware of the need for a simplified accounting system;
4. recognize the various local, state and federal forms required for operations;
5. develop a system, easy to use, for collecting information to complete the forms.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate the necessary handouts. Prepare transparencies.
2. Arrange for a speaker to discuss the school district's accounting system.
3. Obtain current forms for reimbursement to update Handouts #1-13, #1-16, and #1-17.

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

D. KEY WORDS USED IN THIS LESSON

ACCOUNTING: the recording, summarizing and interpreting of business transactions

ACCRUAL ACCOUNTING: revenues are recorded when earned, regardless of when cash is received; and expenditures are recorded when goods or services are used, regardless of when the cash is dispersed

CASH ACCOUNTING: revenues and expenses are recognized only when cash is received or disbursed.

FULL COST ACCOUNTING: all costs incurred in the operation are recorded and reported to specific areas so comparison can be made within the units.

ASSETS: all items, both tangible and intangibles, of value to the operation covered by the foodservice fund

CURRENT ASSETS: cash or any item that can be readily converted into cash

AUDIT: the examination of records and documents and the accumulation of other information to determine the propriety of completed transactions or determine if transactions are recorded accurately in the accounts and in the statements drawn from the accounts

DOUBLE ENTRY BOOKKEEPING: a system of bookkeeping which provides that every entry on the debit side of an account is accompanied by an equal entry on the credit side.

EQUITY: the difference between the total assets and total liabilities

LIABILITIES: money owed to others

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

E. REFERENCES FOR ADDITIONAL INFORMATION

Food and Nutrition Service, School Foodservice Financial Management Handbook for Uniform Accounting, Washington, D. C.: Department of Agriculture, Food and Nutrition Service, 1973.

Kansas State Department of Education. Management Manual, Division of Administration and Finance, School Foodservice Section, 120 East 10th St., Topeka, Kansas 66612, 1975.

Van Egmond-Parnell, D. School Foodservice, Second Edition. Westport, Connecticut: AVI Publishing Co. (\$17.00).

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
I. <u>INTRODUCTION TO COST CONTROLS</u> A. School foodservices should operate on a sound financial basis. 1. Requires an understanding of school board policy and goals for foodservice. 2. Requires an estimated figure for income and expenses. 3. Public Law 94-105 became effective in 1978 and requires all schools to operate under a full cost accounting system. 4. Basic accounting and a simplified book-keeping system make it possible to: a. comply with the law; b. accurately fill out local, state and federal reports; c. defend reports.	

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
B. Reasons for recordkeeping: 1. required by law 2. provides necessary information to fill out forms 3. management tool for control C. Basic bookkeeping: 1. every transaction must be recorded in a journal 2. all journal items are transferred into a general ledger with individual sheets for: a. assets b. income c. expenses d. liabilities	

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

3. each year the various assets, liabilities and fund balance accounts must be established
4. the balance sheet is a position statement indicating assets, liabilities and equity (or fund balance) at a given time
5. the balance sheet is usually prepared monthly

D. Criteria for accounting system:

1. be simple
2. provide all types of internal information for:
 - (a) cafeteria
 - (b) school and school district managers
3. provide external information to:
 - (a) all interested parties
 - (b) local, state and federal government officials

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
4. be accurate 5. be consistent and uniform E. Criteria for the system 1. accrued accounting--revenue and expenses are accounted for during the period that it has accrued 2. double entry bookkeeping--all transactions are recorded twice: a. first, posted in the journal(s) b. then, posted in the general ledger 3. A set of procedures for: a. recording expenditures b. allocating cash F. An accounting equation: 1. provides a simple method to identify operations in the red or the black	

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
2. assets minus Liabilities equal Equity 3. what is owned minus what is owed equals net worth G. Balance sheet 1. shows the financial position at a given point in time; 2. should be prepared each month; 3. reflects the structure of the accounting mechanism; 4. is the basis for understanding the accountant's debit and credit ledgers. H. Journal or Book of Entry: 1. has each financial transaction recorded in detail: a. the disbursement journal has all disbursements (outside purchases of goods and services) made from the operating bank account;	Have speaker responsible for some part of the school district's accounting system provide the class participants with first-hand information. Use transparencies made from handouts to define and show examples of accounting terms. Use Handouts #1-1, 1-2 and 1-3. If the district has a computer program, the speaker should describe the system to the group and identify the foodservice's responsibilities. 25

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

- b. the payroll journal has all disbursements made from the payroll bank account; they are the net pay to employees, payroll deductions, accrued payment of employer payroll taxes and fringe benefits;
 - c. the receipt journal has the food-service receipts which are deposited in the bank account;
 - d. the purchase journal has the transaction of purchases recorded
 - 2. All entries in the journal must be recorded in the general ledger
- I. General ledger:
 - 1. has the information posted from journal entry and should have same date and journal page number included;
 - 2. is used to accumulate revenues and expenditures during the month;

Use Handout #1-3, General Ledger Accounts, to discuss entries that reflect information from the journal.

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
3. has details: a. assets--all items, both tangible and intangible, of value which are owned and used by the foodservice and are measurable in terms of money; (1) current asset—cash or supplies that can readily be turned in- to cash (a) cash received from sales of cafeteria meals (b) food and supplies in the storeroom (c) checks received in advance (sales of meal tickets) (d) accounts receivable (money due the school foodservice from the state 27	

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY								
(2) fixed assets--items of lasting value which are not likely to be sold for cash, such as equipment b. income--what is owned (1) Income statement--the operational statement that shows the on-going activities of the foodservice operation (a) It should show the relationships between expenses and sales for a given period (b) For example: <table> <tr> <th><u>Revenue</u></th><th><u>Expenses</u></th></tr> <tr> <td>sale of lunches</td><td>food costs</td></tr> <tr> <td>federal reimbursement</td><td>labor costs</td></tr> <tr> <td>state reimbursement</td><td></td></tr> </table>	<u>Revenue</u>	<u>Expenses</u>	sale of lunches	food costs	federal reimbursement	labor costs	state reimbursement		Use Handout #1-4 to discuss Income Statements
<u>Revenue</u>	<u>Expenses</u>								
sale of lunches	food costs								
federal reimbursement	labor costs								
state reimbursement									

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

(c) expenses--what is owed

- (1) item listed at the time of use, in an accrual accounting system, such as the cost of food at the time it is used
- (2) food inventory items are listed as an expense at the time they are used, not when they were purchased
- (3) food processing equipment should be spread or depreciated over the useful life of the equipment

(d) liabilities--what is "owed"

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
(1) current—the debts which will come due within a year, for example—food purchased or income tax withholding (2) long term--the debts not likely to be paid off in a year, such as the mortgages for equipment due beyond the current year II. <u>THE METHOD OF RECORDING INFORMATION MAY VARY BECAUSE OF THE ACCOUNTING SYSTEM OF THE SCHOOL AND DISTRICT.</u> A. Hand entry and hand completed B. Hand entry combined with data processing in some areas, such as payroll C. All information recorded by the computer and reports prepared from computer information	
III. <u>CATEGORIES OF RECORDS AND RECORD FORMS</u> A. Personnel reports 1. Required by law and by contract	

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
2. Includes employment records usually kept, handled and retained centrally in the school office or district 3. Includes daily time sheets that vary in form: a. time clock b. a form posted in kitchen areas c. forms should show time allocation for break and meals B. Food records 1. Easily identify: a. menu items b. amount of serving c. amount of ingredients required to prepare recipe	Use Handout #1-5 to discuss Time Schedules for Employees Use Handout #1-6 to discuss the Menu Summary which includes menu items, portion size, and ingredient requirement. After discussing the handout, class members may design a form more appropriate to their needs or may try to use the same form for their own menus.

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT	CLASS ACTIVITY
2. Are inventories a. records of all food and supplies on hand including commodities b. two common types: (1) physical (a) usually taken at the end of the month (b) actual count of the number of cans and cases (2) perpetual (a) "running" record of the balance on hand (b) for each item in the store-room (3) Record purchases	32

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS**LESSON CONTENT****CLASS ACTIVITY**

(a) The size of the school frequently determines the purchasing practices

(b) Frequently food items are placed on bid and the manager or district purchasing agent is responsible

(c) Records kept in the food-service department may vary greatly

(4) Include production records which provide

(a) an organization place for kitchen activities

(b) a support system for state and federal reporting

(c) a planning tool for future decisions

(d) a record of the amount of food prepared, served and leftovers

Use Handout #1-7, Food Production Record, to discuss food production and food management.

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

(5) Record serving

(a) the number of participants in each program within foodservice

(b) the categories reflect income allocations

C. Financial Records

1. Income

a. cash for student payment and adult meals

b. federal reimbursement through the state

c. donation of the USDA commodities and others

d. catering services

2. Expenditures

Use Handout #1-8 to discuss the Daily Food Service Record

Use Handouts #1-9, #1-10, #1-11 to discuss employee

LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

a. labor

(1) salaries

(2) fringe benefits

(a) FICA (employers' share)

(b) worker's compensation to cover for an accident on the job

(c) unemployment compensation to cover payment for lay-off or job elimination

(d) uniform allowance, optional

b. contracted services are services done by others outside the school or district, such as laundry services

payroll automation.

Handout #1-9: Time Schedule

Handout #1-10: Fringe Benefits

Handout #1-11: Overtime Records

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

- c. food and milk
- d. non-food supplies
- e. equipment--small and large
- f. indirect costs
- g. profit and loss statement

IV. RECORDS REQUIRED FOR COMPLIANCE

- A. The reimbursement forms provided by the State Food and Nutrition Program requires verification of the figures appearing on the forms.
 - 1. The verification forms should be developed for usability and clarity.
 - 2. Some duplication of forms for the same information will be shown.
- B. Yearly signed agreement to indicate the school or school district is in the program must be on file in the State Food and Nutrition Program.

Use Handouts #1-6, #1-7, #1-9, #1-12, #1-13, #1-14, #1-15, and #1-16, for the discussion on records

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

- C. Need information on file in school district for free and reduced meals.
- D. Need daily reports:
 - 1. the production records with the hours and time employee spends on the job.
 - 2. the amount of food prepared, served and leftover.
 - 3. the classification and number of people in the program.
 - 4. the amount of money collected, charged, or recorded, and from where;
 - 5. the source of money such as student, paid, earned, reduced, free or adult.
- E. Prepare a monthly request for reimbursement
 - 1. accumulation of the daily reports
 - 2. meal breakdown by buildings

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LESSON 1 : COST CONTROLS OF CHILD NUTRITION PROGRAMS

LESSON CONTENT

CLASS ACTIVITY

F. Prepare quarterly reports to justify costs:

1. all the information from the monthly reports
2. breakdown of expenses incurred for the quarter

G. Prepare an annual report.

1. the State Department of Accounting prepares the report from information submitted from the school district.
2. at the State level the foodservice is combined with athletics and book store.

HANDOUT #1-1

Balance Sheet

Athens School

Foodservice Operations

Balance Sheet as of August 31, 1981

Assets		Liabilities and Fund Balance	
Current	\$ 30,000	<u>Liabilities</u>	
Fixed	60,000	Current	\$20,000
Other	10,000	Long Term	<u>15,000</u>
			\$ 35,000
		<u>Fund Balance</u>	<u>65,000</u>
	<u>\$100,000</u>		<u>\$100,000</u>

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HANDOUT #1-1, Page 2

Current assets include:

Cash in bank
Change funds
Due from the Federal Government
Due from the State Government

Fixed assets include:

Equipment or items that will
last more than a year

Other

Pre-paid taxes
Insurance
Deferred expenses

Current liabilities include:

Accounts payable
Salaries payable
Long-term mortgages for equipment

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HANDOUT #1-2

SAMPLE OF JOURNAL ENTRY

Date	Account Title and Explanation	Post Reference	Debit Amt.	Credit Amt.
Oct. 1, 1981	Cash in bank Change funds Due from Federal Government	100 101 103	25,000 2,000	

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HANDOUT #1-3

SAMPLE OF GENERAL LEDGER ACCOUNTS

Account #100

Title - Cash in Bank

Page 1

Date	Description	Ref.	Debit	Credit
Oct. 1, 1981	Balance carried forward	J1	25,000	

Account #101

Title - Change Fund

Page 2

Date	Description	Ref.	Debit	Credit
Oct. 1, 1981	Balance carried forward	J1	2,000	

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HANDOUT #1-3, Page 2

Account #103

Title - Due From Federal Government

Date	Description	Ref.	Debit	Credit
Oct. 1, 1981	Balance carried forward	J1		

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HANDOUT #1-4

MONTHLY INCOME STATEMENT OCT 1981Income

Student Lunch	
Paid	24,600.80
Reduced	429.60
Student Breakfast	
Paid	268.50
Reduced	59.10
Ala Carte	
Student Sales	4,356.00
Other	
Adult Meals	1,389.75
Adult Ala Carte	440.00
Banquets	---
Federal Reimbursement	
Breakfast	2,304.74
Lunch	16,733.76
State Reimbursement	627.98
	<u>51,210.23</u>
Salaries	24,228.00
Benefits	5,204.40
Contracted Services	336.80
Supplies and Materials	
Food	24,304.80
Transportation	---
Supplies	954.00
Total Direct Costs	55,028.00
Indirect Costs	4,608.48
Depreciation	
Total Costs	<u>59,636.48</u>

TIME SCHEDULE FOR EMPLOYEES

NAME		M	T	W	T	F	M	T	W	T	F	Total Hours	Total Lunch
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												

45
CODES: IS - Illness Self

ALD - Approved Leave Day

AWP - Absent Without Pay

H - Holiday Pay

IF - Illness, Death-Immed. Fam.

AC - Approved Conference

NS - School Not in Session

Prepared by Wayne County Intermediate School District

HANDOUT 1 - 6.

MENU SUMMARY

Menu	Protein	Fruit and Vegetable			Bread	Butter	Milk	Total
		Vit A	Vit C	Others				
B. B. Q. Hamburger/bun	16# Hamburger		Tomato Paste 1 No. 10	Celery 2# Onions 2#	100 Buns			Children _____ Adults _____
Baked Potato			100 Med Potatoes 35#					
Rutabaga Sticks		Rutabaga Sticks						
Watermelon		20# Watermelon						
Scalloped Potatoes w/cubed lunchdon meat	12# Luncheon Meat		Potatoes 30#		100 Slices			
Sliced Tomatoes		Tomatoes 16#						
Celery Sticks w/ cheese filling	3# Cheese			Celery 10#				
Purple Plums	2 No. 10 Cans							

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- NET
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FOOD PRODUCTION RECORD

HANDOUT + 1-7a

MEAL COMPONENTS AND FOOD ITEMS	SERVING SIZE	QUANTITY FOOD NEEDED/USED	SERVINGS		
			Prepared	Served	Left Over
MEAT/MEAT ALTERNATES BBQ Hamburger	1	16 # hamburger 1 No. 10 tomato paste 2 # celery 2 # onion	100	90	10
VEGETABLES/FRUIT Baked potato	1	100 EA n 35 #	100	85	15
rutabaga sticks	1/4 c	10 # rutabaga	100	90	10
watermelon	2 oz	20 # watermelon			
BREAD/BREAD ALTERNATE Bun For Hamburger	100	10 doz	108	90	17
MILK low fat					
EXTRAS					

HANDOUT #1-8

DAILY FOOD SERVICE RECORD

School First Elementary
Compiled by Millie Manager

Date Oct 1, 1981

BREAKFAST

Total Meals Served 201

Students

Paid Today	<u>6</u>	\$ <u>3.30</u>
Prepaid (tickets)	<u>11</u>	
Charges	<u>1</u>	<u>.10</u>
Earned-Paid	<u>1</u>	
-Reduced	<u>1</u>	
-Free	<u>1</u>	
Reduced Price	<u>6</u>	<u>1.80</u>
Free	<u>172</u>	

Total Student Breakfasts 198 5.20

A la Carte .25

Adults

Paid	<u>2</u>	
Staff	<u>1</u>	

Total Adult Breakfasts 3 1.50

A la Carte .00

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HANDOUT #1-8

Page 2

LUNCH

Total Meals Served 391

Students

Paid Today	<u>3</u>	\$ <u>2.70</u>
Prepaid	<u>184</u>	
Charges	<u>0</u>	<u>.90</u>
Earned-Paid	<u>2</u>	
-Reduced	<u>0</u>	
-Free	<u>0</u>	
Reduced Price	<u>9</u>	<u>3.60</u>
Free	<u>185</u>	

Total Student Lunches 383 7.20

A la Carte 3.80

Adults

Paid	<u>5</u>	
Staff	<u>3</u>	
Total Adult Lunches	<u>8</u>	<u>7.50</u>

A la Carte 4.60

TOTAL INCOME \$30.05

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FSHN/81

TIME SCHEDULE FOR EMPLOYEES

NAME		M	T	W	T	F	M	T	W	T	F	Total Hours	Total Lunch
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
	IN												
	OUT												
53	IN												
	OUT												

CODES: IS - Illness Self

ALD - Approved Leave Day

AWP - Absent Without Pay

H - Holiday Pay

IF - Illness, Death-Immed. Fam.

AC - Approved Conference

NS - School Not in Session

Prepared by Wayne County Intermediate School District

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FSHN/81

HANDOUT #1-10

FIGURING VALUE OF FRINGE BENEFITS

	<u>Sample</u>	<u>Do Your Own</u>
Wage per Hour	4.03	
x Base Hours per Day	x 8	
= Wages per Day	<u>32.24</u>	
Wages per Day	32.24	
x Sick Days	x 15	
= Annual Sick Pay		483.60
Wages per Day	32.24	
x Holidays	x 9	
= Annual Holiday Pay		290.16
Wages per Day	32.24	
x Vacation Days	x 12	
= Annual Vacation Pay		386.88
Health Insurance per Year		803.12
Life Insurance per Year		96.06

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HANDOUT #1-10

Page 2

	<u>Sample</u>	<u>Do Your Own</u>
Longevity per Year	225.00	
Uniform Allowance per Year	<u>25.00</u>	
=Total Annual Benefits	2,309.82	
Total Annual Benefits		
÷ Hours per Year	8 x 174 = 1392	
(Hours per Day x Days	- 3/4 x 174 =	
worked - Paid Break	1261.5	
and Lunch Time)	2309.82 ÷ 1261.5	
=Benefits per Hour	= 1.83	
+Cost of Living per Hour	--	
+Value of Lunch per Hour	<u>.11</u>	
TOTAL VALUE OF BENEFITS		
PER HOUR	1.94	

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FSHN/81

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HANDOUT #1-11

OVERTIME RECORD

ALL OVERTIME for each individual must be listed on this form. It is the employee's responsibility to see that this overtime is turned in on time each pay period. Indicate with an (X) in the proper column whether it is regular or building rental overtime.

AUTHORIZED OVERTIME

Date	Overtime From	Worked To	Total Hours	Reg	Bldg Rent	Reasons for Overtime List Organization Name of Bldg, Rental	Bldg.
9-13-81	7:00	9:30	3		✓	PTA	

F. Fearless
Engineer or Manager

Ann Andrews
Employee's Signature

Supervisor

Principal

MSU-NET
FSHN/81

HANDOUT #1-11

Page 2

Date	Overtime Worked From To	Total Hours	Reg	Bldg Rent	Reasons for Overtime List Organization Name of Bldg, Rental	Bldg
9-12-81	3:30 5:15	1 3/4	✓		Meeting	

F. Fearless
Engineer or Manager

F. Fearless
Employee's Signature

Supervisor

Principal

MSU-NET
FSHN/81

adapted from: School District of the City of Pontiac form

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201

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HANDOUT #1-12

DAILY FOOD SERVICE RECORD

School First Elementary
Compiled by Millie Manager

Date Oct 1, 1981

BREAKFAST

Total Meals Served 201

Students

Paid Today	<u>6</u>	\$ <u>3.30</u>
Prepaid (tickets)	<u>11</u>	
Charges	<u>1</u>	<u>.10</u>
Earned-Paid	<u>1</u>	
-Reduced	<u>1</u>	
-Free		
Reduced Price	<u>6</u>	<u>1.80</u>
Free	<u>172</u>	

Total Student Breakfasts 198 5.20

A la Carte .25

Adults

Paid	<u>2</u>	
Staff	<u>1</u>	
Total Adult Breakfasts	<u>3</u>	<u>1.50</u>

A la Carte .00

MSU-NET
FSHN/81

HANDOUT #1-12

Page 2

LUNCH

Total Meals Served 391

Students

Paid Today	<u>3</u>	\$ 2.70
Prepaid	<u>184</u>	
Charges	<u>0</u>	<u>.90</u>
Earned-Paid	<u>2</u>	
-Reduced	<u>0</u>	
-Free	<u>0</u>	
Reduced Price	<u>9</u>	<u>3.60</u>
Free	<u>185</u>	

Total Student Lunches 383 7.20

A la Carte 3.80

Adults

Paid	<u>5</u>	
Staff	<u>3</u>	

Total Adult Lunches 8 7.50

A la Carte 4.60

TOTAL INCOME \$30.05

MSU-NET
FSHN/81

HANDOUT #1-13
Michigan Department of Education
School Support Services
FOOD AND NUTRITION PROGRAM
Box 30008, Lansing, Michigan 48909

Direct questions regarding this form to
James L. Murton at (517) 373-3347.

1981-82 CLAIM FOR REIMBURSEMENT - SCHOOL LUNCH, BREAKFAST AND SPECIAL MILK PROGRAM

MAKING INSTRUCTIONS:

PAGES 1 and 2: Affix Identification Label in space provided. Forward **ORIGINAL** copy by the 10th working day following the end of each **CLAIM PERIOD** to the **STATE ADDRESS** indicated above. Public and nonpublic schools are to send **ONE** copy to the intermediate school district.

Claim Period
Agreement Number
Federal Employer Number

(PLACE LABEL HERE)

COMPLETE ONLY IF LABEL IS MISSING OR INCORRECT

LEGAL NAME OF SCHOOL DISTRICT OR INSTITUTION
ADDRESS OF SCHOOL DISTRICT
CITY AND ZIP CODE

☐ Check if this an Amended or Corrected Report.

I. GENERAL INFORMATION

	Breakfast	Type "A" Lunch	Special Milk
A. Number of Schools Serving			
B. Average Daily Attendance in Schools Serving			
C. Average Daily Participation			
D. Average Number of Days Served this Period			
E. Total Number of Adults Served this Period			
F. Total Approved Reduced Price Meal Applications on File			
G. Total Approved Free Applications on File			
H. Average Charge Students (1) Elementary			
(2) Secondary			
I. Average Charge Non-student			

II. BREAKFAST REIMBURSEMENT DATA

Breakfasts Served Children	Total Number Served to Children
Code 11. All Children (Include Reduced Price & Free)	
Code 12. Reduced Price to Needy	
Code 13. Free to Needy	

III. TYPE "A" LUNCH REIMBURSEMENT DATA

Type "A" Lunches Served Children	Total Number of Type "A" Lunches Served to Children	Reimbursement Rate	TOTAL
Code 11. All Children (Include Reduced Price & Free)			\$
Code 12. Reduced Price to Needy			\$
Code 13. Free to Needy			\$
Total Lunch Payment			\$

IV. SPECIAL MILK PROGRAM

Summary of All Milk Served	TOTAL
A. Total 1/2 Pints Available	
B. Total Type "A" Lunches Served Children	
C. Total Breakfasts Served Children	
D. Total 1/2 Pints Served Adults	
Total 1/2 Pints Eligible for Reimbursement $A - (B + C + D) = E$	

SPECIAL MILK REIMBURSEMENT DATA (Convert to 1/2 Pints)	Average Price Paid to Dairy	Total 1/2 Pints Served	Reimbursement Rate	TOTAL
Code 21. Milk Sold or Given to Non-eligibles				\$
Code 25. Milk Served Free to Eligibles				\$
Total Milk Payment				\$

V. BREAKDOWN OF MEAL SERVICE BY BUILDING DURING REPORTING PERIOD

[illegible]

VI. (COMPLETE ON MARCH REPORT ONLY)

HOW MANY CHILDREN WITHIN THE DISTRICT ARE ELIGIBLE TO RECEIVE A FREE OR REDUCED MEAL? _____

VII. CERTIFICATION

I certify that the above information is true and correct; that records are available to support the information; and that centralized fiscal control is maintained by the Board of Education over school food service funds.

Date _____ Official for School District _____ (Signature) _____

Title _____

Name of Contact Person MSU-NET FSHN/81 Telephone 62 (Area Code/Local Number)

MONTHLY FOOD SERVICE RECORD

Free 203 W

[illegible]

HANDOUT #1-15

SAMPLE DISTRICT FOOD SERVICE SUMMARY

School	No. of Applications		No. of Days Served	BREAKFAST										LUNCH									
				Student					Adult					Student					Adult				
				Paid	Earn	Red	Pr	Free	Total	ADP	Paid	Staff	Paid	Earn	Red	Pr	Free	Total	ADP	Paid	Staff		
A	V	W	B	C	D	X	Y	Z	I	J	K	L	M	N	O	P	Q	R	S	T	U		
FIRST ELEMENTARY	12	203	22	537	22	197	384	4620	210	37	22	4156	24	208	3972	1360	380	138	78				
SECOND ELEMENTARY	3	18	22									3154	14	50	302	3520	160	83	22				
THIRD ELEMENTARY	14	138	22									6402	66	222	2550	9240	420	207	132				
JR. HIGH	37	221	21									6804	-	530	4006	11,340	540	257	163				
SR. HIGH	15	78	22									5456	-	64	1300	6220	310	223	63				
TOTALS	81	660	(AVE) 2.2	537	22	197	384	4620	210	37	22	25,972	104	1074	13,130	39,220	1,810	908	451				
	TOTAL V	TOTAL W	TOTAL B	TOTAL C	TOTAL D	TOTAL X	TOTAL Y	TOTAL I		59	TOTAL DD							1366	TOTAL EE				

Handout #1-16
page 1
Michigan Department of Education
School Support Services
FOOD AND NUTRITION PROGRAM
Box 30008, Lansing, Michigan 48909

INSTRUCTIONS FOR COMPLETING SS-4012-A

(Round all figures to the nearest dollar)

This report must be done using the Accrual Basis of accounting, i.e., revenues are reported when earned; expenditures are reported when services are performed (meals are served).

A. REVENUES AND BEGINNING BALANCES

1. Beginning balance (previous closing balance). First quarter (July-Sept.) use year ending audit balance and from then on use closing balance (line 17) from the previous quarterly report. Audit balance = Revenue - Expenditures + Ending Inventory (including commodity delivery charges).
2. Type "A" accrued revenue from children for the quarter. Cash and/or charges for the lunches served to children during the quarter.
3. Special milk accrued revenue from children for the quarter. Cash and/or charges for the milk served to children during the quarter.
4. Breakfast accrued revenue from children for the quarter. Cash and/or charges for the breakfasts served to children during the quarter.
5. A-la-carte accrued revenue for the quarter.
6. Other revenue accrued from the sale of food during the quarter including adult meals.
7. Federal aid accrued during the quarter (lunch, breakfast, and special milk reimbursement claimed during the quarter).
8. State aid received during the quarter (matching funds) - once-a-year payment.
9. Cash-in-lieu of commodities received during the quarter once-a-year payment.
10. Incoming transfer of funds from general fund (subsidies that are not to be repaid).
11. General fund advances that are to be repaid (loans).
12. Miscellaneous - any other revenues (interest on savings).
13. Total revenue - add lines 2 through 12.
14. Total funds available - add lines 1 and 12.

15. Expenses incurred - total direct billed expenses, page 2, line E, column 1 (include all indirect costs that are billed to the Food Service and are part of the total of line F).
16. Fund modifications - out-going transfers, adjustments, loan repayments, sales tax payments.
17. Capital Outlay - capital expenditures for nonexpendable equipment purchases, (individual cost of \$300 or more). This equipment is added to your depreciation.
18. Closing balance - line 14 minus 15, 16, and 17.

B. TYPE "A" LUNCH COST COMPUTATION - This calculation determines your reimbursement rate.

1. Total Type "A" expenses, page 2, column 4, line H.
2. Total Type "A" lunches served during the quarter.
3. Average Type "A" lunch cost (line 1 divided by line 2).

C. BREAKFAST MEAL COST COMPUTATION - This calculation determines your reimbursement rate.

1. Total breakfast expenses, page 2, column 6, line H.
2. Total breakfasts served to children during the quarter.
3. Average breakfast cost (line 1 divided by line 2).

D. SELF-EXPLANATORY

DEFINITIONS

LINES A, B, D, E, G, H, 5, 6, 7, 8, 13, 14, and 16 (Self-Explanatory)

PART A - SALARIES - All labor directly involved in the production of food.

LINE 1 ADMINISTRATION

Direction and/or supervision of the district-wide lunch program and any secretarial or clerical employees employed solely for the Food Service operation. (Does not include principal or super-intendent time.)

LINE 2 OPERATION AND SERVICE

Food service, clerical, custodian, monitoring, security, vehicle operation and labor services employees only for Food Service operation.

LINE 3 OVERTIME - OPERATION AND SERVICE

Services provided above the normal work period.

LINE 4 ALL OTHER SALARIES

Personal salaries not provided for in the above classification for employees working solely for the Food Service Operation.

PART B - FRINGE BENEFITS FOR FOOD SERVICE SALARIES ABOVE

LINE 6 Bargained for Benefits - Those benefits that are normally part of a bargained contract.

LINE 7 Mandatory - Those fringes such as retirement, F.I.C.A., unemployment, and workmen's compensation.

LINE C CONTRACTED SERVICES

Management fees, travel expenses, workshops and conferences, contracted printing, contracted repairs and maintenance, rentals, laundry, extermination contracts and other purchased services.
(Not utilities)

LINE 9 Food used during the quarter not including U.S.D.A. commodities; include commodity delivery charge, however. Beginning inventory + deliveries - ending inventory = food used plus commodity delivery charge or actual food used.

LINE 10 MILK USED DURING THE QUARTER

Inventory + deliveries - ending inventory = milk used or actual milk used.

LINE 11 TRANSPORTATION SUPPLIES - If food is transferred.

Gasoline; oil and grease; parts, ties, tubes and batteries; and other transportation supplies.

LINE 12 OTHER SUPPLIES AND MATERIALS

Paper products, cleaning materials, etc. used during the quarter. Also include small equipment purchases (expendable items - dishes, silverware, etc.).

LINE F INDIRECT COST RATE - UNRESTRICTED - Use actual cost or multiply unrestricted rate times line 14.

Application of the indirect cost rate to direct costs identifies the central office services for accounting, payroll, personnel, utilities, and custodial services that can be allocated to the food service. Public schools will use their assigned unrestricted rate, not to exceed 15%. All other will use 12%.

LINE 15 Depreciation of equipment and furniture - individual value of more than \$300 (12-year life).

LINE 16 Depreciation of vehicle used for transporting food (4 or 6 year life).

COLUMN 1: Food service expenses payable from food service account for the quarter.

COLUMN 2: Food service expenses payable from general fund during the quarter and not billed back to the food service.

COLUMN 3: Total of Columns 1 and 2.

COLUMNS 4-8: Allocation of total expenses accrued to the various programs.

METHODS OF ALLOCATION OF QUARTERLY DISBURSEMENTS

NOTE: If actual amounts are not used each quarter, a percentage can be calculated and used. Revenues cannot be used as a basis. The following will give you some direction:

SECTION A - SALARIES

Determine the actual amount of labor used in each program and then divide the total labor into the program labor to establish a percentage.

EXAMPLE: Breakfast Labor = \$210
Total Food Service Labor = \$1,500
 $210 \div 1,500 = 14\%$

Each month 14% of the total salaries can be allocated to the breakfast program.

SECTION B - EMPLOYEE BENEFITS

Use the same method as used to allocate salaries.

EXAMPLE: 14% of the total benefits would be allocated to the breakfast program.

SECTION C - CONTRACTED SERVICES

For each program, take the average of the salaries percent and supplies and materials percent and apply it to the total of purchased services.

EXAMPLE: Breakfast Salaries = 14%
Breakfast Supplies and Materials = 20%
 $14\% + 20\% = 34\%; 34\% \div 2 = 17\%$

In this case, 17% of the total purchased services will be allocated to the breakfast program.

LINE 9 - FOOD - SUPPLIES AND MATERIALS

Using exhibit "A" or similar method, determine the total amount of food used by each program and then divide the total food used by the food used in each program.

EXAMPLE: Total Food Used (beginning inventory + purchase - ending inventory) = \$1,800
Breakfast Food = \$360
 $360 \div 1,800 = 20\%$

Each month in these examples, 20% of the total food used could be allocated to the breakfast program.

LINE 10 - MILK

Actual number served times average dairy cost.

OTHER EXPENSES - TRANSPORTATION SUPPLIES, OTHER SUPPLIES AND MATERIALS AND DEPRECIATION

Use the average percentage for salaries and food for each program.

INDIRECT COST

Apply indirect rate to column 4 through column 8, line H.

SEE APPENDIX FOR FORM EXAMPLE

HANDOUT #1-17 (a-1)

DS-4169
(Rev. Form B)
5/80Michigan Department of Education
DEPARTMENT SERVICES
Box 30008, Lansing, Michigan 48909Direct questions regarding this form to
(517) 373-0424ISD & LEA: ANNUAL SCHOOL DISTRICT FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1980(Check One)
Report prepared by
CPA ☐
LEA ☐

EDUCATIONAL AGENCY	Legal Name of School District	District Code No.	Federal Employer No.
	Address	City	Zip Code

INSTRUCTIONS: Return the original and one copy to the intermediate district by SEPTEMBER 15, 1980. The intermediate district returns the original copy by SEPTEMBER 30, 1980 to the STATE address indicated above.

Name of CPA _____ Address _____ Telephone No. _____

Area Code/Local No.

Contact Person (LEA) _____ Telephone No. _____

Name and Title

Area Code/Local No.

COMPARATIVE GENERAL FUND BALANCE SHEET

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
1		ASSETS:			
2	101	Cash	0010		
3	102	Petty Cash	0020		
4	110	Taxes Receivable	0030		
5	120	Accounts Receivable	0040		
6	130	Due from Other Funds	0050		
7	140	Due from Other Governmental Units	0060		
8	142	Interest Receivable on Investments and Deposits	0070		
9	170	Inventory	0080		
10	180	Investments	0090		
11	192	Prepaid Expenses	0100		
12	199	Other Assets	0110		
13	260	Bus Costs—Net of Amortization	0120		
14		Total Assets (D.P. 0010 thru 0120)	0139		
15		LIABILITIES:			
16	402	Accounts Payable	0160		
17	404	Contracts Payable	0170		
18	407	Tax Anticipation Notes and Loans Payable	0180		
19	410	Due to Other Funds	0190		
20	420	Due to Other Governmental Units	0200		
21	450	Payroll Deductions and Withholdings	0210		
22	461	Accrued Expenses	0220		
23	462	Salaries Payable	0230		
24	474	Deferred Revenue	0240		
25	479	Other Liabilities	0250		
26	481	Reserve for Obligations—Federal	0260		
27		Total Liabilities (D.P. 0160 thru 0260)	0289		
28	700	RESERVES AND FUND BALANCE (D.P. 0159 less 0289)	0290		
29		Add: Excess Revenues (from D.P. 3998)	0300		
30		Subtract: Excess Expenditures (from D.P. 3999)	0370		
31		GENERAL FUND BALANCE, JUNE 30 (D.P. 0290 thru 0370)	0390		

 Must be Equ

HANDOUT #1-17 (a-2)
GENERAL FUND REVENUES

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	TOTAL AMOUNT (DOLLARS ONLY) (1)
		REVENUE FROM LOCAL SOURCES		
2	111	General Fund Property Tax Levy	0410	
3	118	Other Taxes	0420	
4	119	Penalties and Interest on Delinquent Tax	0430	
5	110	Total (D.P. 0410 thru 0430)	0449	
6	120	Total Appropriations from Local Units of Government Other than School Districts	0459	
7	130	Total Tuition (Describe)	0469	
8	140	Total Transportation Fees	0509	
9	150	Total Earnings from Investments and Deposits	0519	
10	190	Total Other Local Revenues	0529	
11	100	TOTAL REVENUE FROM LOCAL SOURCES (D. P. 0449 thru 0529)	0539	
12	200	TOTAL REVENUE FROM INTERMEDIATE SOURCES (Do not include transfers from ISD's)	0549	
		REVENUE FROM STATE SOURCES		
14		Grants—Unrestricted		
15		State School Aid	0550	
16		Other Grants (Describe)	0560	
17	311	Total Grants—Unrestricted (D.P. 0550 thru 0560)	0579	
18		Grants—Restricted		
19		Driver Education	0580	
20		Special Education	0590	
21		Compensatory Education	0600	
22		Vocational Education	0610	
23		Transportation	0620	
24		Other Grants (Describe)	0630	
25	312	Total Grants—Restricted (D.P. 0580 thru 0630)	0649	
	320	Total Payments in Lieu of Taxes	0659	
	300	TOTAL REVENUE FROM STATE SOURCES (D.P. 0579, 0649 & 0659)	0669	
		REVENUE FROM FEDERAL SOURCES		
29		Grants—Unrestricted		
30		P.L. 81-874 School Assistance	0670	
31		Emergency Employment Act—1971	0680	
32		Other Grants (Describe)	0690	
33	411	Total Grants—Unrestricted—Direct Federal (D.P. 0670 thru 0690)	0709	
34	412	Total Grants—Unrestricted—Received through the State	0719	
35		Grants—Restricted—Direct Federal		
36		P.L. 81-874 School Assistance	0720	
37		E.S.A.A. Title VII	0730	
38		Other Grants (Describe)	0740	
39	413	Total Grants—Restricted—Direct Federal (D.P. 0720 thru 0740)	0759	
40		Grants—Restricted—Received through the State		
41		Vocational Education	0760	
42		E.S.E.A. Title I	0770	
43		E.S.E.A. Title IV	0780	
44		Other Grants (Describe)	0790	
45	414	Total Grants—Restricted—Received Through the State (D.P. 0760 thru 0790)	0809	
46	415	Total Grants—Unrestricted—Received Through an Intermediate Government Source	0819	
47	416	Total Grants—Restricted—Received Through an Intermediate Government Source	0829	
48	420	Total Payments in Lieu of Taxes	0835	
49	400	TOTAL REVENUE FROM FEDERAL SOURCES (D.P. 0709, 0719, 0759, 0809, 0819, 0829 & 0835)	0839	
50		TOTAL GENERAL FUND REVENUES (D.P. 0539, 0549, 0669 & 0839)	0849	

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05-4169
(Rev. Form 8)
5/80

Michigan Department of Education
DEPARTMENT SERVICES
Box 30008, Lansing, Michigan 48909

Direct questions regarding this form to
(517) 373-0424

**ISD & LEA: ANNUAL SCHOOL DISTRICT FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1980**

(Check One)
Report prepared by
CPA ☐
LEA ☐

EDUCATIONAL AGENCY	Legal Name of School District	District Code No.	Federal Employer No.
	Address	City	Zip Code

INSTRUCTIONS: Return the original and one copy to the intermediate district by SEPTEMBER 15, 1980. The intermediate district returns the original copy by SEPTEMBER 30, 1980 to the STATE address indicated above.

Name of CPA _____ Address _____ Telephone No. _____
Area Code/Local No. _____

Contact Person (LEA) _____ Telephone No. _____
Name and Title _____ Area Code/Local No. _____

COMPARATIVE GENERAL FUND BALANCE SHEET

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
1		ASSETS:			
2	101	Cash	0010		
3	102	Petty Cash	0020		
4	110	Taxes Receivable	0030		
5	120	Accounts Receivable	0040		
6	130	Due from Other Funds	0050		
7	140	Due from Other Governmental Units	0060		
8	162	Interest Receivable on Investments and Deposits	0070		
9	170	Inventory	0080		
10	180	Investments	0090		
11	192	Prepaid Expenses	0100		
12	199	Other Assets	0110		
13	260	Bus Costs—Net of Amortization	0120		
14		Total Assets (D.P. 0010 thru 0120)	0139		
15		LIABILITIES:			
16	402	Accounts Payable	0140		
17	404	Contracts Payable	0170		
18	407	Tax Anticipation Notes and Loans Payable	0180		
19	410	Due to Other Funds	0190		
20	420	Due to Other Governmental Units	0200		
21	450	Payroll Deductions and Withholdings	0210		
22	461	Accrued Expenses	0220		
23	462	Salaries Payable	0230		
24	474	Deferred Revenue	0240		
25	479	Other Liabilities	0250		
26	481	Reserve for Obligations—Federal	0260		
27		Total Liabilities (D.P. 0160 thru 0260)	0289		
28	700	RESERVES AND FUND BALANCE (D.P. 0159 less 0289)	0290		
29		Add: Excess Revenues (from D.P. 3996)	0300		
30		Subtract: Excess Expenditures (from D.P. 3997)	0370		
31		GENERAL FUND BALANCE, JUNE 30 (D.P. 0290 thru 0370)	0390		

↑
← Must be Equal

GENERAL FUND REVENUES

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	TOTAL AMOUNT (DOLLARS ONLY) (1)
		REVENUE FROM LOCAL SOURCES		
2	111	General Fund Property Tax Levy	0410	
3	118	Other Taxes	0420	
4	119	Penalties and Interest on Delinquent Tax	0430	
5	110	Total (D.P. 0410 thru 0430)	0449	
6	120	Total Appropriations from Local Units of Government Other than School Districts	0459	
7	130	Total Tuition (Describe)	0469	
8	140	Total Transportation Fees	0509	
9	150	Total Earnings from Investments and Deposits	0519	
10	190	Total Other Local Revenues	0529	
11	100	TOTAL REVENUE FROM LOCAL SOURCES (D. P. 0449 thru 0529)	0539	
12	200	TOTAL REVENUE FROM INTERMEDIATE SOURCES (Do not include transfers from ISD's)	0549	
		REVENUE FROM STATE SOURCES		
14		Grants—Unrestricted		
15		State School Aid	0550	
16		Other Grants (Describe)	0560	
17	311	Total Grants—Unrestricted (D.P. 0550 thru 0560)	0579	
18		Grants—Restricted		
19		Driver Education	0580	
20		Special Education	0590	
21		Compensatory Education	0600	
22		Vocational Education	0610	
23		Transportation	0620	
24		Other Grants (Describe)	0630	
25	312	Total Grants—Restricted (D.P. 0580 thru 0630)	0649	
27	320	Total Payments in Lieu of Taxes	0659	
28	300	TOTAL REVENUE FROM STATE SOURCES (D.P. 0579, 0649 & 0659)	0669	
		REVENUE FROM FEDERAL SOURCES		
29		Grants—Unrestricted		
30		P.L. 81-874 School Assistance	0670	
31		Emergency Employment Act—1971	0680	
32		Other Grants (Describe)	0690	
33	411	Total Grants—Unrestricted—Direct Federal (D.P. 0670 thru 0690)	0709	
34	412	Total Grants—Unrestricted—Received through the State	0719	
35		Grants—Restricted—Direct Federal		
36		P.L. 81-874 School Assistance	0720	
37		E.S.A.A. Title VII	0730	
38		Other Grants (Describe)	0740	
39	413	Total Grants—Restricted—Direct Federal (D.P. 0720 thru 0740)	0759	
40		Grants—Restricted—Received through the State		
41		Vocational Education	0760	
42		E.S.E.A. Title I	0770	
43		E.S.E.A. Title IV	0780	
44		Other Grants (Describe)	0790	
45	414	Total Grants—Restricted—Received Through the State (D.P. 0760 thru 0790)	0809	
46	415	Total Grants—Unrestricted—Received Through an Intermediate Government Source	0819	
47	416	Total Grants—Restricted—Received Through an Intermediate Government Source	0829	
48	420	Total Payments in Lieu of Taxes	0835	
49	400	TOTAL REVENUE FROM FEDERAL SOURCES (D.P. 0709, 0719, 0759, 0809, 0819, 0829 & 0835)	0839	
50		TOTAL GENERAL FUND REVENUES (D.P. 0539, 0549, 0669 & 0839)	0849	

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LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	TOTAL AMOUNT (DOLLARS ONLY) (1)
1				
2		INCOMING TRANSFERS AND OTHER TRANSACTIONS		
3		Payment Received from Other Government Units Within the State		
4		Tuition	0850	
5		Transportation	0855	
6		County Special Education Tax	0860	
7		Other (Describe)	0870	
8	510	Total Payments Received from Other Government Units Within the State (D.P. 0850 thru 0870)	0889	
9	520	Total Payments Received from Other Government Units Outside the State	0899	
10		Fund Modifications (Incoming)		
11		Special Education Fund (ISD only)	0900	
12		Debt Retirement Fund (Authorization)	0905	
13		Building & Site Fund (Authorization)	0910	
14		School Service Funds	0920	
15		Area - Vocational Technical Education Fund (ISD only)	0925	
16		Trust and Agency Funds	0930	
17		Cooperative Education Fund (ISD only)	0935	
18	530	Total Fund Modifications (D.P. 0900 thru 0935)	0949	
19	590	Total Other Transactions (Describe)	0969	
20	500	TOTAL INCOMING TRANSFERS & OTHER TRANSACTIONS (D.P. 0889, 0899, 0949 & 0969)	0979	
21		TOTAL GENERAL FUND REVENUES INCOMING TRANSFERS & OTHER TRANSACTIONS (D.P. 0849 & 0979)	0999	

GENERAL FUND EXPENDITURES

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	SALARIES (1)	PURCHASED SERVICES (2)	SUPPLIES, MATERIALS AND OTHER EXPENSES (3)	TOTAL (4)
22		INSTRUCTION					
23		Basic Programs					
24	111	Elementary Grades.....to.....	1000				
25	112	Middle/Junior High Grades.....to.....	1010				
26	113	High School Grades.....to.....	1020				
27	118	Pre-School	1030				
28	119	Other Basic Programs	1040				
29	110	Total Basic Programs (D.P. 1000 thru 1040)	1059				
30		Added Needs					
31	122	Special Education	1060				
32	123	Compensatory Education	1070				
33	127	Vocational Education	1080				
34	129	Other Added Needs	1090				
35	120	Total Added Needs (D.P. 1060 thru 1090)	1109				
36		Adult/Continuing Education					
37	131	Basic	1110				
38	132	Secondary	1120				
39	133	Secondary Vocational	1130				
40	135	Occupational Training	1140				
41	137	Enrichment	1150				
42	130	Total Adult/Cont. Ed. (D.P. 1110 thru 1150)	1169				
43	190	Unclassified	1910				
44	1XX	Employee Benefits for Instruction	1980				
45	100	TOTAL INSTRUCTION (D.P. 1059, 1109, 1169, 1910, 1980)	1999				

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CCT. CODE	ACCOUNT NAME	D.P. CODE	SALARIES (1)	PURCHASED SERVICES (2)	SUPPLIES, MATERIALS AND OTHER EXPENSES (3)	TOTAL (4)
1						
2	SUPPORTING SERVICES					
3	Support Services—Pupil					
4	211 Attendance Services	2010				
5	212 Guidance Services	2020				
6	213 Health Services	2030				
7	214 Psychological Services	2040				
8	215 Speech Pathology Audiology	2050				
9	216 Social Work Services	2060				
10	217 Visual Aid Services	2070				
11	219 Other Pupil Services	2080				
12	210 Total Sup't Serv.—Pupil (D.P. 2010 thru 2080)	2099				
13	Support Services Instructional Staff					
14	221 Improvement of Instruction	2100				
15	222 Library	2110				
16	223 Audio-Visual	2120				
17	224 Educational Television	2130				
18	225 Computer Assisted Instruction	2140				
19	226 Supervision Direction—Instructional Staff	2150				
20	227 Other Educational Media Services	2160				
21	229 Other Instructional Staff Services	2170				
22	220 Total Sup't Serv.—Instruc. (D.P. 2100 thru 2170)	2199				
23	Support Services—General Administration					
24	231 Board of Education	2210				
25	232 Executive Administration	2220				
26	230 Total Sup't Serv.—G. A. (D.P. 2210 thru 2220)	2299				
27	Support Services—School Administration					
28	241 Office of the Principal	2310				
29	249 Other School Administration	2380				
30	240 Total Sup't Serv.—S. A. (D.P. 2310 thru 2380)	2399				
31	Support Services—Business					
32	252 Fiscal Services	2410				
33	253 School Plant Planning	2420				
34	254 Operation and Maintenance of Plant	2430				
35	255 Pupil Transportation Services	2440				
36	257 Internal Services	2450				
37	259 Other Business Services	2480				
38	250 Total Sup't Serv.—Bus. (D.P. 2410 thru 2480)	2499				
39	Support Services—Central					
40	262 Planning Research, Develop and Evaluation	2500				
41	263 Information Services	2510				
42	264 Staff Services	2520				
43	265 Statistical Services	2530				
44	266 Data Processing Services	2540				
45	269 Other Central Services	2580				
46	260 Total Sup't Serv.—Central (D.P. 2500 thru 2580)	2599				
47	290 Support Services—Other	2910				
48	2XX Employee Benefits—Support Services	2920				
49	200 TOTAL SUPPORT SERVICES (D.P. 2099, 2199, 2299, 2399, 2499, 2599, 2910 & 2920)	2939				
	TOTAL CURRENT OPER. EXPEND. (D.P. 1999 & 2939)	2999				

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LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	SALARIES (1)	PURCHASED SERVICES (2)	SUPPLIES, MATERIALS AND OTHER EXPENSES (3)	TOTAL (4)
1							
2		COMMUNITY SERVICES					
3	310	Community Services—Direction	3300				
4	320	Community Recreation	3310				
5	330	Civic Activities	3320				
6	340	Public Library	3330				
7	350	Custody and Care of Children	3340				
8	360	Welfare Activities	3350				
9	370	Non-Public School	3360				
10	390	Other Community Services	3370				
11	3XX	Employee Benefits for Community Services	3380				
12	300	TOTAL COMM. SERVICES (D.P. 3300 thru 3380)	3399				
13		CAPITAL OUTLAY					
14	1XX	Instruction	3610				
15	2XX	Supporting Services	3620				
16	3XX	Community Services	3630				
17		TOTAL CAPITAL OUTLAY (D.P. 3610 thru 3630)	3689				
18		TOTAL EXPENDITURES (D.P. 2999, 3399 & 3689)	3699				

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	(1)
19		OUTGOING TRANSFERS AND OTHER TRANSACTIONS		
20		Fund Modifications (Outgoing)		
21	8120	Special Education Fund (ISD only)	3700	
22	8130	Debt Retirement Fund (Authorization)	3705	
23	8140	Building and Site Fund (Authorization)	3710	
24	8150	School Service Funds	3720	
25	8160	Area Vocational Technical Education Fund (ISD only)	3725	
26	8170	Trust and Agency Funds	3730	
27	8180	Cooperative Education Fund (ISD only)	3735	
28		Total Fund Modifications (D.P. 3700 thru 3735)	3749	
29		Payments to Other Governmental Units Within the State		
30	8210	Tuition	3810	
31	8220	Transportation	3820	
32	8290	Other Transits (Describe)	3830	
33		Total Payments to Other Governmental Units Within the State (D.P. 3810 thru 3830)	3839	
34	8300	Total Payments to Other Governmental Units Outside the State	3849	
35	8900	Other Transactions (Describe)	3880	
36		TOTAL OUTGOING TRANSFERS AND OTHER TRANSACTIONS (D.P. 3749, 3839, 3849 & 3880)	3949	
37		TOTAL GENERAL FUND EXPENDITURES, OUTGOING TRANSFERS, AND OTHER TRANSACTIONS (D.P. 3699, Col. 4, and 3949)	3959	
38		TOTAL GENERAL FUND REVENUES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 0999)	3996	
39		EXCESS REVENUE (If D.P. 3996 exceeds D.P. 3959 enter difference here)	3998	
40		EXCESS EXPENDITURES (If D.P. 3959 exceeds D.P. 3996 enter difference here)	3999	

COMPARATIVE DEBT RETIREMENT FUND BALANCE SHEET

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
1		ASSETS:			
2	101	Cash	4010		
3	110	Taxes Receivable	4020		
4	120	Accounts Receivable	4030		
5	130	Due from Other Funds	4040		
6	140	Due from Other Governmental Units	4050		
7	163	Interest Receivable on Investments and Deposits	4060		
8	180	Investments	4070		
9	199	Other Assets	4080		
10		Total Assets (D.P. 4010 thru 4080)	4099		
11		LIABILITIES:			
12	403	Accounts Payable	4100		
13	407	Tax Anticipation Notes and Loans	4110		
14	410	Due to Other Funds	4120		
15	420	Due to Other Governmental Units	4130		
16	441	Matured Bonds Payable	4140		
17	443	Matured Interest Payable	4150		
18	479	Other Liabilities	4160		
19		Total Liabilities (D.P. 4100 thru 4160)	4179		
20	700	DEBT RETIREMENT FUND BALANCE (D.P. 4099 less 4179)	4180		
21		Add: Excess Revenue (From D.P. 4498)	4190		
22		Subtract: Excess Expenditures (From D.P. 4499)	4200		
23		DEBT RETIREMENT FUND BALANCE (D.P. 4099 less 4179)	4210		

↑
← Must be Equal

DEBT RETIREMENT FUND REVENUES AND EXPENDITURES

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
24		REVENUES:		
25	111	Property Tax Levy	4220	
26	119	Penalties and Interest on Delinquent Taxes	4230	
27	150	Earnings on Investments and Deposits	4240	
28	190	Other Revenue from Local Sources	4250	
29	100	TOTAL REVENUE FROM LOCAL SOURCES (D.P. 4220 thru 4250)	4269	
30	200	TOTAL REVENUE FROM INTERMEDIATE SOURCES	4279	
31	300	TOTAL REVENUE FROM STATE SOURCES	4289	
32	400	TOTAL REVENUE FROM FEDERAL SOURCES	4299	
33		TOTAL REVENUES (D.P. 4269, 4279, 4289, & 4299)	4309	
34		INCOMING TRANSFERS AND OTHER TRANSACTIONS		
35	510	Payments Received from Other Governmental Units Within the State	4310	
36	531	Transfers from the General Fund (Authorization)	4320	
37	534	Transfers from the Building and Site Fund (Authorization)	4330	
38		Transfers from Other Funds (ISD only)	4339	
39	590	Other Transactions (Describe)	4340	
		TOTAL DEBT RETIREMENT REVENUES, INCOMING TRANSFERS AND OTHER TRANSACTIONS (D.P. 4309 & 4310 thru 4340)	4359	
40		EXPENDITURES		
41	7100	Redemption of Principal	4360	
42		Interest on Debts		
43	7220	Bonds	4370	
44	7240	School Bond Loan	4380	
45		Notes and Loans	4390	
	7400	Dues and Fees	4400	
	7600	Taxes Abated and Written Off	4410	
48	7900	Miscellaneous Expense	4420	
49		TOTAL EXPENDITURES (D.P. 4360 thru 4420)	4439	

NR	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
1				
2		OUTGOING TRANSFERS AND OTHER TRANSACTIONS		
3	8110	Transfers to General Fund (Authorization)	4440	
4	8140	Transfers to Building and Site Fund (Authorization)	4450	
5		Transfers to Other Funds (ISD only)	4459	
6	8500	Payments on School Bond Loans	4460	
7	8900	Other Transactions (Describe)	4470	
8		TOTAL EXPENDITURES, TRANSFERS AND OTHER TRANSACTIONS (D.P. 4439 and 4440 thru 4470)	4489	
9		TOTAL DEBT RETIREMENT FUND REVENUES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 4359)	4496	
10		EXCESS OF REVENUES (If D.P. 4496 exceeds D.P. 4489 enter difference here)	4498	
11		EXCESS OF EXPENDITURES (If D.P. 4489 exceeds D.P. 4496 enter difference here)	4499	

COMPARATIVE BUILDING AND SITE FUND BALANCE SHEET

NR	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
12		ASSETS:			
13	101	Cash	4300		
14	110	Taxes Receivable	4310		
15	120	Accounts Receivable	4320		
16	130	Due from Other Funds	4330		
17	140	Due from Other Governmental Units	4340		
18	162	Interest Receivable on Investments and Deposits	4350		
19	180	Investments	4360		
20	199	Other Assets	4370		
21		Total Assets (D.P. 4300 thru 4370)	4389		
22		LIABILITIES:			
23	402	Accounts Payable	4390		
24	405	Construction Contracts Payable	4400		
25	406	Construction Contracts Payable—Retained Percentage	4410		
26	407	Tax Anticipation Notes and Loans Payable	4420		
27	410	Due to Other Funds	4430		
28	420	Due to Other Governmental Units	4440		
29	461	Accrued Expenses	4450		
30	479	Other Liabilities	4460		
31		Total Liabilities (D.P. 4390 thru 4460)	4479		
32	700	BUILDING AND SITE FUND BALANCE (D.P. 4389 less 4479)	4680		
33		Add: Excess Revenues (from D.P. 4498)	4485		
34		Subtract: Excess Expenditures (from D.P. 4499)	4490		
35		BUILDING AND SITE FUND BALANCE, JUNE 30 (D.P. 4680 thru 4690)	4695		

↑
← Must be Equal

BUILDING AND SITE REVENUES AND EXPENDITURES

INE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
36		REVENUES		
37	111	Property Tax Levy	4700	
38	119	Penalties and Interest on Delinquent Taxes	4710	
39	150	Earnings on Investments and Deposits	4720	
40	190	Other Local Revenues	4730	
41	100	TOTAL REVENUE FROM LOCAL SOURCES (D.P. 4700 thru 4730)	4749	
42	200	TOTAL REVENUE FROM INTERMEDIATE SOURCES	4759	
43	300	TOTAL REVENUE FROM STATE SOURCES	4769	
44	400	TOTAL REVENUE FROM FEDERAL SOURCES	4779	
45		TOTAL REVENUES (D.P. 4749 thru 4779)	4789	

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
2		INCOMING TRANSFERS AND OTHER TRANSACTIONS		
3	510	Payments Received from Other Governmental Units Within the State	4790	
4	531	Transfers from the General Fund (Authorization)	4800	
5	532	Special Education Fund (ISD only)	4805	
6	533	Transfers from the Debt Retirement Fund (Authorization)	4810	
7	534	Area Vocational Technical Education Fund (ISD only)	4816	
8	538	Cooperative Education Fund (ISD only)	4818	
9	593	Sale and Loss on Fixed Assets	4820	
10	596	Sale of Bonds	4830	
11	598	Adjustments to Prior Year Accounts	4840	
12		TOTAL REVENUES, INCOMING TRANSFERS AND OTHER TRANSACTIONS (D.P. 4759 thru 4840)	4849	
13		EXPENDITURES		
14	6100	Land	4850	
15	6200	Buildings and Additions	4860	
16	6300	Improvements Other Than Buildings	4870	
17	6400	Equipment and Furniture	4880	
18	6700	Library Books	4890	
19	6900	Other Capital Outlay	4900	
20	7200	Interest on Debt	4910	
21	7900	Miscellaneous Expense	4920	
22		TOTAL EXPENDITURES (D.P. 4850 thru 4920)	4939	
23		OUTGOING TRANSFERS AND OTHER TRANSACTIONS		
24	8110	Transfers to the General Fund (Authorization)	4950	
25	8120	Special Education Fund (ISD only)	4955	
26	8130	Transfers to the Debt Retirement Fund (Authorization)	4960	
27	8160	Area Vocational Technical Education Fund (ISD only)	4966	
28	8180	Cooperative Education Fund (ISD only)	4968	
29	8900	Other Transactions	4970	
30		TOTAL EXPENDITURES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 4939 thru 4970)	4989	
31		TOTAL BUILDING AND SITE REVENUES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 4849)	4996	
32		EXCESS OF REVENUE (If D.P. 4996 exceeds D.P. 4989 enter difference here)	4998	
33		EXCESS OF EXPENDITURES (If D.P. 4989 exceeds D.P. 4996 enter difference here)	4999	

COMPARATIVE SCHOOL SERVICE FUND BALANCE SHEET

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
34		ASSETS:			
35	101	Cash	5000		
36	103	Cash Change Fund	5010		
37	120	Accounts Receivable	5020		
38	130	Due from Other Funds	5030		
39	140	Due from Other Governmental Units	5040		
40	170	Inventory	5050		
41	180	Investments	5055		
42	191	Deposits	5060		
43	192	Prepaid Expenses	5070		
44	199	Other Assets	5080		
45		Total Assets (D.P. 5000 thru 5080)	5099		

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance June (DOLLARS ONLY) (2)
1					
2		LIABILITIES:			
3	402	Accounts Payable	5100		
4	404	Contracts Payable	5110		
5	410	Due to Other Funds	5120		
6	420	Due to Other Governmental Units	5130		
7	450	Payroll Deductions and Withholdings	5140		
8	461	Accrued Expenses	5150		
9	462	Salaries Payable	5160		
10	474	Deferred Revenue	5170		
11	479	Other Liabilities	5180		
12		Total Liabilities (D.P. 5100 thru 5180)	5199		
13	700	SCHOOL SERVICES FUNDS BALANCE (D.P. 5099 less 5199)	5200		
14		Add: Excess Revenue (from D.P. 5498)	5210		
15		Subtract: Excess Expenditures (from D.P. 5499)	5215		
16		SCHOOL SERVICE FUNDS BALANCE, JUNE 30 (D.P. 5200 thru 5215)	5220		

↑
← Must be Equal

SCHOOL SERVICE FUND REVENUES AND EXPENDITURES

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
17		REVENUES:		
18	100	TOTAL REVENUE FROM LOCAL SOURCES	5239	
19	200	TOTAL REVENUE FROM INTERMEDIATE SOURCES	5249	
20	300	TOTAL REVENUE FROM STATE SOURCES	5259	
21		REVENUE FROM FEDERAL SOURCES		
22	413	Grants Restricted—Direct	5260	
23	414	Grants Restricted—Received Through the State	5270	
24	480	Donated Commodities	5280	
25	400	TOTAL REVENUE FROM FEDERAL SOURCES (D.P. 5260 thru 5280)	5299	
26		TOTAL REVENUES (D.P. 5239, 5249, 5259 and 5299)	5309	
27		INCOMING TRANSFERS AND OTHER TRANSACTIONS		
28	531	Transfers from General Fund	5310	
29	537	Transfers from Trust and Agency Funds	5320	
30		Transfers from Other Funds (ISD only)	5329	
31	590	Other Transactions (Describe)	5340	
32		TOTAL REVENUES, INCOMING TRANSFERS AND OTHER TRANSACTIONS (D.P. 5309 & 5310 thru 5340)	5359	

HANDOUT #1-17(b-10)

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	SALARIES (1)	PURCHASED SERVICES (2)	SUPPLIES, MATERIALS AND OTHER EXPENSES (3)	TOTAL AMOUNT (DOLLARS ONLY) (4)
1							
2		EXPENDITURES:					
3	256	Food Services	5370				
4	292	Book Store Activities	5380				
5	293	Athletic Activities	5390				
6		Total (D.P. 5370 thru 5390)	5399				
7	2XX	Employee Benefits	5410				
8	2XX	Capital Outlay	5420				
9	200	TOTAL EXPENDITURES (D.P. 5399, 5410, 5420)	5439				

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	TOTAL AMOUNT (DOLLARS ONLY) (1)
10		OUTGOING TRANSFERS AND OTHER TRANSACTIONS		
11	8110	Transfer to the General Fund	5440	
12	8170	Transfer to the Trust and Agency Funds	5450	
13		Transfers to Other Funds (ISD only)	5459	
14	8900	Other Transactions	5470	
15		TOTAL EXPENDITURES, TRANSFERS AND OTHER TRANSACTIONS (D.P. 5439, Col. 4, & 5440 thru 5470)	5489	
16		TOTAL SCHOOL SERVICE FUND REVENUES, TRANSFERS AND OTHER TRANSACTIONS (D.P. 5359)	5496	
17		EXCESS REVENUES (If D.P. 5496 exceeds D.P. 5489 enter difference here)	5496	
18		EXCESS EXPENDITURES (If D.P. 5489 exceeds D.P. 5496 enter difference here)	5499	

COMPARATIVE TRUST AND AGENCY FUNDS BALANCE SHEET

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	Beginning Balance Sheet July 1 (DOLLARS ONLY) (1)	Ending Balance Sheet June 30 (DOLLARS ONLY) (2)
19		ASSETS:			
20	101	Cash	5500		
21	120	Accounts Receivable	5510		
22	122	Loans Receivable	5520		
23	130	Due from Other Funds	5525		
24	162	Interest Receivable on Investments and Deposits	5530		
25	172	Inventory—Merchandise for Resale	5540		
26	180	Investments	5550		
27	199	Other Assets	5560		
28	100	Total Assets (D.P. 5500-5560)	5579		
29		LIABILITIES:			
30	402	Accounts Payable	5580		
31	410	Due to Other Funds	5590		
32	420	Due to Other Governmental Units	5600		
33	479	Other Liabilities	5610		
34	400	Total Liabilities (D.P. 5580-5610)	5629		
35	700	TRUST AND AGENCY FUNDS BALANCE (D.P. 5579 less 5629)	5638		
36		Add: Excess Revenue (D.P. 5896)	5640		
37		Subtract: Excess Expenditures (D.P. 5899)	5650		
38		TRUST AND AGENCY FUNDS BALANCE, JUNE 30 (D.P. 5630 thru 5650)	5660		

↑
← Must be Equal

TRUST AND AGENCY FUND REVENUES AND EXPENDITURES

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	AMOUNT (DOLLARS ONLY) (1)
1		REVENUES:		
2	150	Earnings on Investments and Deposits	5670	
3	170	Student Activities	5680	
4	191	Rentals	5690	
5	192	Private Sources (Contributions)	5700	
6	199	Miscellaneous	5710	
7	100	TOTAL REVENUES (D.P. 5670 thru 5710)	5729	
8		INCOMING TRANSFERS AND OTHER TRANSACTIONS		
9	331	Transfer from the General Fund	5730	
0	335	Transfer from the School Services Funds	5740	
1		Transfers from Other Funds (ISD only)	5749	
2	390	Other Transactions	5760	
3		TOTAL REVENUES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 5729 & 5730 thru 5760)	5779	
4		EXPENDITURES:		
5	291	Student Activities	5780	
6	294	Endowment Activities	5790	
7	2XX	Employee Benefits	5800	
8	2XX	Capital Outlay	5810	
9	200	TOTAL EXPENDITURES (D.P. 5780 thru 5810)	5829	
10		OUTGOING TRANSFERS AND OTHER TRANSACTIONS		
11	8110	Transfers to the General Fund	5830	
12	8150	Transfers to the School Services Funds	5840	
13		Transfers to Other Funds (ISD) only)	5849	
14	8900	Other Transactions	5860	
15		TOTAL EXPENDITURES, TRANSFERS AND OTHER TRANSACTIONS (D.P. 5829 & 5830 thru 5860)	5879	
16		TOTAL TRUST AND AGENCY FUND REVENUES, TRANSFERS, AND OTHER TRANSACTIONS (D.P. 5779)	5896	
17		EXCESS REVENUES (If D.P. 5896 exceeds D.P. 5879 enter difference here)	5898	
18		EXCESS EXPENDITURES (If D.P. 5879 exceeds D.P. 5896 enter difference here)	5899	

LONG-TERM DEBT GROUP OF ACCOUNTS

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	BEGINNING BALANCE July 1 (1)	ADDITIONS (2)	DEDUCTIONS (3)	ENDING BALANCE June 30 (4)
29		RESOURCES TO LIQUIDATE LONG TERM DEBT					
30	303	Amounts Available in the Debt Retirement Fund	6500				
31	304	Amounts to be Provided for the Payment of Bonds	6510				
32	305	Amounts to be Provided for the Payment of Loans	6520				
33		TOTAL RESOURCES TO LIQUIDATE LONG-TERM DEBT (D.P. 6500 thru 6520)	6529				
34		LONG-TERM DEBT PAYABLE					
35	501	Term Bonds Payable	6530				
36	502	Serial Bonds Payable	6540				
37	503	School Bond Loans Payable	6550				
38	504	Other Loans (Describe)	6560				
39		TOTAL LONG-TERM DEBT PAYABLE This line must equal D.P. 6529 for Column 1 and Column 4. All lines should crossfoot. (D.P. 6530 thru 6560)	6579				

* Equals D.P. Code 4210

Must agree with GENERAL FUND PROPERTY TAX LEVY (D.P. 0410)

Must agree with DEBT RETIREMENT PROPERTY TAX LEVY (D.P. 4220)

Must agree with BUILDING & SITE PROPERTY TAX LEVY (D.P. 4700)

FORM B SUPPLEMENT—TAX COLLECTION STATISTICS

LINE	YEAR OF LEVY	FUND	D.P. CODE	Total of Levy Collected as of 6-30-80 (DOLLARS ONLY) (1)	Total of Levy Remaining Uncollected as of 6-30-80 (DOLLARS ONLY) (2)	Amount of Levy Uncollectible and Written off as of 6-30-80 (DOLLARS ONLY) (3)	TOTAL DOLLAR LEVY (DOLLARS ONLY) (4)
1	1979-80	GENERAL	8510				
2		DEBT	8520				
3		BLDG. & SITE	8530				
4	1978-79	GENERAL	8540				
5		DEBT	8550				
6		BLDG. & SITE	8560				
7	1977-78	GENERAL	8570				
8		DEBT	8580				
9		BLDG. & SITE	8590				
10	1976-77	GENERAL	8600				
11		DEBT	8610				
12		BLDG. & SITE	8620				
13	1975-76	GENERAL	8630				
14		DEBT	8640				
15		BLDG. & SITE	8650				
16	TOTAL	GENERAL	8660				
17	TOTAL	DEBT	8670				
18	TOTAL	BLDG. & SITE	8680				

Must agree with BUILDING & SITE TAXES RECEIVABLE (D.P. 4510)

Must agree with DEBT RETIREMENT TAXES RECEIVABLE (D.P. 4020)

Must agree with GENERAL FUND TAXES RECEIVABLE ACCOUNT (D.P. 0030)

FIXED ASSET DATA

LINE		D.P. CODE	TOTAL AMOUNT (1) (DOLLARS ONLY)		D.P. CODE	TOTAL AMOUNT (1) (DOLLARS ONLY)
19	A. Land	8710		A. Fire and Extended Coverage for Buildings and Equipment Only		
20	B. Buildings	8720		(1) Total Amount of Coverage	8740	
21	C. Equipment	8730		(2) Total Annual Premium	8750	
22	TOTAL FIXED ACCTS. (D.P. 8710 thru D.P. 8730)	8739				

CAPITAL OUTLAY DATA

LINE	ACCT. CODE		D.P. CODE	TOTAL (3) (DOLLARS ONLY)
23	100	Instruction	9010	
24	200	Support Services	9020	
25	300	Community Services	9030	
26	260	School Buses	9050	
27		TOTAL CAPITAL OUTLAY (D.P. 9010 thru 9050)	9069	
28	7710	Amortization—Depreciation—Bus Costs	9070	

HANDOUT #1-17 (b-13)
INSTRUCTIONAL SALARY DATA

District Code No. _____

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	STAFF (WHOLE NUMBERS ONLY)		SALARY (DOLLARS ONLY)	
				TEACHER (FTE) (1)	OTHER* (FTE) (2)	TEACHER (3)	OTHER (4)
1	110	BASIC PROGRAM					
2	111	Elementary	9110				
3	112	Middle/Junior High	9120				
4	113	High School	9130				
5	118	Pre-School	9140				
6	119	Other	9150				
7	120	ADDED NEEDS					
8	122	Special Education	9160				
9	123	Compensatory Education	9170				
10	127	Vocational Education	9180				
11	129	Other	9190				
12	130	ADULT/CONTINUING EDUCATION					
13	131	Basic	9210				
14	132	Secondary--High	9220				
15	133	Secondary Vocational	9230				
16	135	Occupational	9240				
17	137	Enrichment	9250				
18	190	UNCLASSIFIED	9290				
19		TOTAL (D.P. 9110 thru 9290)	9299				

Teacher Fourth Friday Count _____ Add lines from D.S. 4061, Fourth Friday Report, Section IIIA, lines 1-11. Any difference in this total and Column 1 of D.P. Code 9299 should be reconcilable by the school district.
(F.T.E.)

**SCHOOL DISTRICT PURCHASES OF SERVICES, SUPPLIES AND OTHER EXPENSE
FROM INTERMEDIATE SCHOOL DISTRICTS**

LINE	ACCT. CODE	ACCOUNT NAME	D.P. CODE	DATA PROCESSING (DOLLARS ONLY)	PROFESSIONAL SERVICES (DOLLARS ONLY)	OTHER (DOLLARS ONLY)	TOTAL (DOLLARS ONLY)
20		INSTRUCTION	9500				
21	100	SUPPORT SERVICES					
22		Pupil	9520				
23	210	Instructional Staff	9530				
24	220	General Administration	9540				
25	230	School Administration	9550				
26		Business	9560				
27	250	Central	9570				
28	260	Other	9580				
29	290	COMMUNITY SERVICES	9590				
30	300	TOTAL (D.P. 9500 thru 9590)	9599				

Interest on operating loans included in general fund expenditures. Amount \$ _____

*Other includes substitute teachers, interns, teacher aides and other personnel who may provide services in the classroom as a part of classroom instruction.

CERTIFICATION: I certify that the information on this report is true and correct to the best of my knowledge.

Date: _____ Superintendent or
Authorized Official _____ (Signature)

HANDOUT #1-17 (b-14)

NOTES TO THE FINANCIAL REPORT

HANDOUT #1-17 (b-15)

Michigan Department of Education

DEPARTMENT SERVICES

Box 30008, Lansing, Michigan 48909

RECONCILIATION REPORT* FOR DS-4169 (REV. FORM B), ANNUAL SCHOOL DISTRICT FINANCIAL REPORT

***THIS REPORT MUST BE FILLED OUT BY ALL SCHOOL DISTRICTS**

EDUCATIONAL AGENCY	Legal Name of School District	District Code No.	Telephone—Area Code/Local Number
	Address	City	Zip Code

MAILING INSTRUCTIONS: DISTRICT—Return TWO copies with Audit Report to the Intermediate District.

INTERMEDIATE DISTRICT—Return ONE copy with Audit Report to the State address indicated above.

PURPOSE: The purpose of this report is to identify variances which exist between the DS-4169 (Rev. Form B) Annual School District Financial Report, and the Audit Report. Complete ONLY those items in which variances exist.**NOTE:** Variances in Equity Changes and/or Balance Sheet Equity must be explained. Submit explanations by letter with this report.

LINE	BALANCE SHEET	DS-4169 (Rev. Form B) (1)	AUDIT REPORT (2)	VARIANCE (Red if Negative) (COL. 1 MINUS COL. 2) (3)
	GENERAL FUND			
1.	Assets			
2.	Liabilities			
3.	Fund Balance			
	SPECIAL EDUCATION FUND			
4.	Assets			
5.	Liabilities			
6.	Fund Balance			
	DEBT FUND			
7.	Assets			
8.	Liabilities			
9.	Fund Balance			
	BUILDING AND SITE FUND			
10.	Assets			
11.	Liabilities			
12.	Fund Balance			
	SCHOOL SERVICE FUND			
13.	Assets			
14.	Liabilities			
15.	Fund Balance			
	AREA VOCATIONAL TECHNICAL EDUCATION FUND			
16.	Assets			
17.	Liabilities			
18.	Fund Balance			
	TRUST AND AGENCY FUND			
19.	Assets			
20.	Liabilities			
21.	Fund Balance			
	COOPERATIVE EDUCATION FUND			
22.	Assets			
23.	Liabilities			
24.	Fund Balance			

LINE	ACCOUNT NAME	DS-4169 (Rev. Form B) (1)	AUDIT REPORT (2)	VARIANCE (Red if Negative) (3)
	GENERAL FUND			
1.	Revenues			
2.	Local			
3.	Intermediate			
4.	State			
5.	Federal			
6.	Incoming Transfers and Other Transactions			
7.	Total Revenues			
8.	Expenditures			
9.	Instruction			
10.	Basic Programs			
11.	Added Needs			
12.	Adult/Continuing			
13.	Unclassified			
14.	Employee Benefits—Instruction			
15.	Total Instruction			
16.	Support Services			
17.	Pupil			
18.	Instructional Staff			
19.	General Administration			
20.	School Administration			
21.	Business			
22.	Central			
23.	Other			
24.	Employee Benefits—Support Services			
25.	Total Support Services			
26.	Community Services			
27.	Capital Outlay			
28.	Outgoing Transfers and Other Transactions			
29.	Total Expenditures			
30.	FUND BALANCE CHANGE			
31.	SPECIAL EDUCATION FUND (ISD only)			
32.	Total Special Education Fund Revenues, Incoming Transfers and Other Transactions			
33.	Total Special Education Fund Expenditures, Outgoing Transfers and Other Transactions			
34.	FUND BALANCE CHANGE			
35.	DEBT FUND			
36.	Total Debt Retirement—Revenue, Income Transfers and Other Transactions			
37.	Total Debt Retirement—Expenditures, Outgoing Transfers and Other Transactions			
38.	FUND BALANCE CHANGE			
39.	BUILDING AND SITE FUND			
40.	Total Building and Site Fund Revenues, Incoming Transfers and Other Transactions			
41.	Total Building and Site Fund Expenditures, Outgoing Transfers and Other Transactions			
42.	FUND BALANCE CHANGE			
43.	SCHOOL SERVICE FUND			
44.	Total School Service Fund Revenue, Incoming Transfers and Other Transactions			
45.	Total School Service Fund Expenditures, Outgoing Transfers and Other Transactions			
46.	FUND BALANCE CHANGE			
47.	AREA VOCATIONAL TECHNICAL EDUCATION FUND (ISD only)			
48.	Total Area Voc. Tech. Education Fund Revenues, Incoming Transfers and Other Transactions			
49.	Total Area Voc. Tech. Education Fund Expenditures, Outgoing Transfers and Other Transactions			
50.	FUND BALANCE CHANGE			
51.	TRUST AND AGENCY FUND			
52.	Total Trust and Agency Fund Revenues, Incoming Transfers and Other Transactions			
53.	Total Trust and Agency Fund Expenditures, Outgoing Transfers and Other Transactions			

LESSON 2 : BUDGETS

A. GOALS OF THIS LESSON

The goal of this lesson is to develop an understanding of the principles of budgeting.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. define a budget;
2. be aware of the various components of a budget;
3. understand that the budget is the responsibility of everyone in foodservice operation.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate necessary handouts.

D. KEY WORDS USED IN THIS LESSON

BUDGET: a financial plan to serve as a guide in receiving and spending money for a specific time.

ESTIMATED INCOME: the calculation of the amount available monies.

ESTIMATED EXPENDITURES: the calculation of the amount of money to be spent.

ZERO-BASED BUDGET: a procedure under which all expenses and activities are reviewed in terms of their justification (ZBB).

FIXED ASSET: an item of lasting value is not likely to be sold.

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LESSON 2 : BUDGETS

E. REFERENCES FOR ADDITIONAL INFORMATION

Nickerson, C. Accounting Handbook for Non-Accountants, 2nd Edition. Boston, Massachusetts: CBI Publishing Co., Inc., 1979 (\$24.95).

School Food Service Financial Management Handbook for Uniform Accounting: A Simplified System. Washington, D. C.: U. S. Department of Agriculture, Food and Nutrition Service, 1973.

Development of an Accountability Management Program. Tallahassee, Florida: Management Program, Food and Nutrition Department, Department of Education.

Jones, R., Trentin, H. Budgeting: Key to Planning and Control, Revised Edition, American Management Association, 1971.

LESSON 2 : BUDGETING

LESSON CONTENT	CLASS ACTIVITY
I. <u>INTRODUCTION TO BUDGETING</u> A. Budgeting Is the Key To Planning and Control B. The Role of Budget in Management Is: 1. planning and control of the fundamentals to the management process; 2. a system that implies a continuing process throughout the year; 3. forecasting the results for next year's operation; 4. another approach to financial control. C. A Budget Is: 1. a plan of operation expressed in terms of dollars and cents; 2. a plan for estimating the income and projecting the expenditures;	80

LESSON 2 : BUDGETING

LESSON CONTENT

CLASS ACTIVITY

3. a plan based on past records and on future plans;
4. a set of controls and goals for spending and should be an adjustable guide.

II. STEPS IN PLANNING A BUDGET

- A. Study, Evaluate and Project the Participation in the Foodservice Program By:
 1. Reviewing records from prior years in detail:
 - a. breakfast and lunch count
 - b. paid, reduce and free
 - c. adult
 2. Noting enrollment changes
- B. Project the Anticipated Number of Participants for the Current Year

LESSON 2 : BUDGETING

LESSON CONTENT

CLASS ACTIVITY

1. Income groups--free or reduced participants
2. Paid participants
3. Adult participants

III. ADDITIONAL ITEMS TO BASE BUDGET

A. Income

1. A la carte items
 - a. identify the items to be sold and the portion size
 - b. pre-sort items
 - c. estimate the number of items of each to be sold on an annual basis
 - d. to compute the total food cost appropriation, multiply the estimated number of units of each item to be sold by the pre-cost figure to equal the total a la carte food cost

LESSON 2 : BUDGETING

LESSON CONTENT	CLASS ACTIVITY
e. determine the selling price. 2. Special functions a. estimate the number and kind of events to be held annually b. compute food and labor costs c. determine the selling price 3. Donated foods B. Expenses 1. Expendable supplies--single service items such as napkins, straws, food packages a. estimate the number to be used for the year and the unit cost; b. deduct from number above the amount in the inventory and then compute the cost of the remainder.	Handout #2-1, Elementary School Budget. This handout identifies the basic elements of budgeting. Use for class discussion and review before having class use Handout #2-2, to get a feeling for the steps necessary in making a budget.

LESSON 2 : BUDGETING

LESSON CONTENT

CLASS ACTIVITY

2. Expendable equipment

- a. items that have a useful life of one year or less, or cost less than \$300;
- b. includes small ware--knives, sifters, whips;
- c. assess current inventory and project needs

3. Nonexpendable equipment

- a. useful life of a year or more and costs in excess of \$300 per unit (ranges, refrigerators, ovens);
- b. assessment of current inventory;
- c. determine projected needs and estimated costs.

4. Other expenses include:

- a. travel;
- b. repairs.

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LESSON 2 : BUDGETING

LESSON CONTENT

CLASS ACTIVITY

IV. REMEDIES FOR A BUDGET THAT DOES NOT BALANCE

A. Increase Income By:

1. selling a la carte items;
2. servicing special events;
3. increasing participation.

B. Reduce Expenses

1. cost food and labor;
2. eliminate purchasing of new equipment.

C. Securing Additional Funds

V. ZERO-BASED BUDGETING

A. Comprehensive Budgeting

1. a step beyond required analysis
2. variation in zero-base

LESSON 2 : BUDGETING

LESSON CONTENT	CLASS ACTIVITIES
B. Tightening the controls between justification and allocation C. Advantages: 1. Need to establish a financial planning phase prior to the preparation of the year's budget. 2. Implementation of ZBB provides guidelines necessary to meet goals and objectives with limited financial resources. 3. Provides management with greater insight into the functions of the various departments. D. Disadvantages: 1. The amount of time and effort required in preparation. 2. Does not seem to force change in the level of funding	

LESSON 2 : BUDGETING

LESSON CONTENT

CLASS ACTIVITY

E. Basic Steps in Preparation:

1. Develop decision packages which involve analyzing and describing each activity both current and new.
 - a. identifies the reasons for performing the activity both current and new.
2. Ranking the decision packages which involve evaluating and ranking packages in priority order.
 - a. identify alternative courses of action
 - b. costs of alternate choice

Handout #2-1

SAMPLE ELEMENTARY SCHOOL BUDGET 1980-81

School Enrollment: 400

No. of School Days: 180

Participating in Program: 325

Actual Serving Days: 165

Projected Student Income for Lunch

198 paid lunches @ \$.95 = \$188.10/day x 165 days = \$31,036.50

27 paid lunches @ .40 = 10.80/day x 165 days = 1,782.00

\$32,818.50

Projected Student Income for Breakfast

5 paid breakfasts @ \$.50 = \$2.50/day x 165 days = 412.50

10 paid breakfasts @ .30 = 3.00/day x 165 days = 495.00

907.50

Projected Adult Lunch

7 paid lunches @ \$1.55 = \$10.85/day x 165 days = 1,790.25

(includes tax)

1,790.25

Federal Reimbursement for Lunch

All Student Meals

325 @ \$.105 = \$34.125/day x 165 days = 5,630.63

Reduce Meals

27 @ .5875 = \$15.86/day x 165 days = 2,617.31

Free Meals

100 @ .9875 = 98.75/day x 165 days = 16,293.75

24,541.69

Handout #2-1, page 2

Federal Reimbursement for Breakfast

All Students

65 @ \$.0825 = \$ 5.363/day x 165 days = \$ 884.81

Reduce Students

10 @ .2025 = 2.025 /day x 165 days = 334.13

Free Students

50 @ .4875 = 24.375/day x 165 days = 4,021.88

\$ 5,240.82

\$65,298.76

Project Expenses Based On Income

\$65,298.76

40% Labor Cost \$26,119.50

52% Food Cost 33,955.36

8% Miscellaneous 5,223.90

\$65,298.76

Handout #2-2

SAMPLE HIGH SCHOOL BUDGET FOR A LA CARTE LINE

This exercise will provide an opportunity to go through the budget steps. The pre-costing of the items has been done when prices were determined. You may select what you would like in your operation and add any item not included in the selection.

<u>Items</u>	<u>Selling Price</u>	<u>Estimated No. Sold/Day</u>	<u>Income Day</u>	<u>Income 168 Days</u>
Hamburger w/bun & relish	\$.55			
Soup 6 oz + 1 pkg crax	.40			
8 oz + 1 pkg crax	.50			
Salad				
Tossed w/dressing	.50			
Potato	.40			
Fruit	.30			
Milk	.25			

LESSON 3 : LABOR CONTROLS

A. GOALS OF THIS LESSON

The goal of this lesson is to develop an awareness of the laws that govern labor used in school foodservice.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. understand the legal regulations surrounding the operation of school foodservice; and
2. understand the legal regulations on the state and federal reimbursement forms.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate the necessary handouts.
2. Determine whether a guest speaker is appropriate from Social Security or the Department of Labor--Wage and Hour Division.
3. Information in this lesson might be incorporated in Lessons 1 and 2, depending on the needs of the participants.

D. KEY WORDS USED IN THIS LESSON

LABOR COSTS: the amount of money spent for salary and fringe benefits for employees for a given period of time

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LESSON 3 : LABOR CONTROLS

- WORK PERMIT: a permit required of 14 to 17 year old youths; it is issued by the school district and includes the person's age and the kind of work to be performed
- RETIREMENT ALLOWANCE FOR MEALS: under certain conditions, the dollar value of provided meals can be added to the base salary of workers in determining retirement payments
- PRODUCTIVITY RATE: in foodservice, productivity may be expressed as meals per labor hour, and is calculated by dividing the total productivity for a given period of time (such as a day) by the total labor hours used during the same period

E. REFERENCES FOR ADDITIONAL INFORMATION

Lundberg, D. E., and Armatas, J. The Management of People in Hotels, Restaurants and Clubs. Dubuque, Iowa: William C. Brown Company, 4th Edition, 1980.

LESSON 3 : LABOR CONTROLS

LESSON CONTENT

CLASS ACTIVITY

I. INTRODUCTION TO LABOR COSTS

- A. Several departments in the State of Michigan are responsible for the interpretation of laws regarding labor and foodservice. They are:
1. to provide information to interested parties as to the exact wording of the law;
 2. to monitor the regulations. The Departments of Labor, Treasury, Management and Budget, and Social Security.
- B. Department of Labor
1. is responsible for interpretation and information concerning the Youth Employment Standards Act, Act 90, Public Acts of 1978, which:
 - a. protects the rights of minors;
 - b. establishes legal employment;

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LESSON 3 : LABOR CONTROLS

LESSON CONTENT

CLASS ACTIV

- c. describes work permits;
- d. describes rule deviations.
- 2. is responsible for some regulations that affect school foodservice:
 - a. minors may work no more than eight hours a day, six days a week, or 10 hours a day, 48 hours per week--the time during the school year includes school and work.
 - b. 14-15 year old minors can work between 7 a.m. and 9 p.m., and have lifting restrictions of 35 pounds
 - c. 16-17 year old minors can work between 6 a.m. and 10:30 p.m.
 - (1) can work until 11:30 p.m. on weekends or in the summer with a special deviation permit.

LESSON 3 : LABOR CONTROLS

LESSON CONTENT

CLASS ACTIVITIES

- (2) a 17 year old who has graduated from high school and has a valid diploma is exempt from all legal requirements of the Act.

C. Department of the Treasury is responsible for the sales tax law:

1. Students in school are not subject to tax on food served in the cafeteria.
2. All adults are subject to the tax on the sale of food served in cafeteria.

D. Department of Management and Budget is responsible for the Michigan Public School Employees Retirement System:

1. Retirement allowance for meals that are part of the employment agreement.
2. Allowance not to exceed \$28.50 per month.

E. Social Security is only involved if the school district identifies meals served on the check or reports.

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LESSON 3 : LABOR CONTROLS

LESSON CONTENT	CLASS ACTIVITIES
II. <u>STAFFING PATTERNS</u>	
A. Review work schedules	
1. Determine if staff is working at the time needed. 2. Determine if job activities should be changed to meet time and budget needs.	
B. Guidelines for short- and long-range planning:	
1. Discuss with employees how they are doing. 2. Motivate employees to assist in planning; to strive for goals higher than what they think is their present productivity. 3. Review what changes might occur to improve productivity.	Use Handout #3-1, Determining Meals Per Labor Hour, for discussion or an assignment for a later date. Perhaps do it several times to see if it is usually the same.
C. Meals per person hour greatly determine the success of the financial picture.	
NOTE: For more information, see the Personnel Management Manual.	

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Handout #3-1

School _____

DETERMINING MEALS PER LABOR HOUR

Date _____

To determine the productivity rate for your school, complete the form below.

Meal Period _____

Meals Served Daily _____

NAME

Hours Daily

1. Full-time Employees

2. Part-time Employees

3. Cook/Manager/Director

4. Student Workers

Handout #3-1/Page 2

5. Other Personnel

NAME

Hours Daily

_____	_____
_____	_____
_____	_____
_____	_____

TOTAL DAILY LABOR HOURS:

PRODUCTIVITY RATE: _____ = TOTAL MEALS DAILY + TOTAL DAILY LABOR HOURS

LESSON 4 : PROGRESS TEST FOR LESSONS 1, 2 and 3 OF COST CONTROL MANUAL

A. GOAL OF THIS LESSON

The goal of this lesson is to review the most important aspects of the past three lessons by administering the following Progress Test.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. summarize and review the important information presented in Lessons 1, 2 and 3;
2. emphasize the most important points presented in Lessons 1, 2 and 3;
3. identify subject areas in which participants desire or need further study and practice.

Note: The Progress Test should NOT scare or humiliate participants or be used as a device to keep them from continuing on with further lessons. There is no minimum score of success. This is an exercise or learning activity just as the other lessons have been.

C. INSTRUCTOR PREPARATION FOR CLASS PROGRESS TEST

1. The time allowed for this lesson is approximately 25 minutes.
2. Duplicate sufficient copies of Progress Test.
3. How the Progress Test should be given:
 - A. Pass out copies of the Progress Test to each participant.

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LESSON 4 : PROGRESS TEST FOR LESSONS 1, 2 and 3 OF COST CONTROL MANUAL

- B. Provide pens or pencils for those who may not have brought their own.
- C. Explain that the reason for this Progress Test is to review the important information presented in the past three lessons.
- D. Briefly go through the test together to explain the different kinds of questions to be sure that all participants know what they need to do for each question.
- E. Allow approximately 25 minutes for participants to complete the test.
- F. Allow participants to keep their own tests while answers are discussed.
- G. State aloud which answer(s) is/are correct for each question.
- H. Discuss how to change false statements so that they read "true."
- I. Lead a class discussion relating to reasons why other choices, if given, are incorrect. Ask participants to give examples of the application of each question to their school foodservice situation.
- J. Allow any participants who so desire to retake the test on their own time.
- K. Provide additional references on any topic to participants who desire further information.

PROGRESS TEST OF COST CONTROL MANUAL

Lessons 1, 2 and 3

Circle the true answers in the questions below. There may be more than one correct answer.

1. School foodservice keeps records of their financial transactions in order to:
 - a. follow the law.
 - b. free the school principal's secretary.
 - c. know income and expenses.
 - d. to have the necessary information to fill out State forms.
2. All financial transactions must be recorded from voucher or bill to journal to use ledger.
 - a. True
 - b. False
3. Assets minus liabilities equals net worth is:
 - a. an added task to a busy kitchen.
 - b. an equation to determine whether the operation is in the red or black.
 - c. a financial formula.
 - d. none of the above.
4. Current assets are all tangible and intangible items that can be measured in terms of cash.
 - a. True
 - b. False
5. Acceptable methods of recording cost information are:
 - a. foodservice voucher to computer.
 - b. hand entry and hand completed.
 - c. hand entry combined with data processing.
 - d. school principal, cafeteria manager, school board.
6. When food is leftover, it is really counted twice in the costing system.
 - a. True
 - b. False

Progress Test/Page 2

7. Catering service and a la carte lines all added income to a school lunch program serving less than 100 people.
 - a. True
 - b. False
8. Selling meal tickets allows you to count the meal even if the student is not in school that day.
 - a. True
 - b. False
9. A school must apply to the Food and Nutrition section of support services to participate in this program.
 - a. True
 - b. False
10. The role of a budget is:
 - a. a continuous process throughout the year.
 - b. a forecast of results for next year's operation.
 - c. planning and control of the operation.
 - d. too much work.
11. Reduced and free meals are based on the income of students' parents.
 - a. True
 - b. False
12. Donated food in the budget could mean home-canned tomatoes provided by the PTA Mothers.
 - a. True
 - b. False
13. Zero-based budget is a:
 - a. decision-making technique.
 - b. method of providing management with specific information from all departments.
 - c. a step beyond analysis.
 - d. a way of creating change.

Progress Test/Page 3

14. Anyone eating in the school lunch is exempt from paying sales tax.
- a. True b. False
15. Information about sales tax can be found by contacting:
- a. Department of Labor.
b. Department of Social Services.
c. Department of Treasury.
d. Social Security.

ANSWER SHEET

PROGRESS TEST FOR LESSONS 1, 2 and 3

1. *a, c, d*
2. *a*
3. *b, c*
4. *a*
5. *a, b, c*
6. *b*
7. *a*
8. *b*
9. *a*
10. *a, b, c*
11. *a*
12. *b*
13. *a, b, c, d*
14. *b*
15. *c*

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

A. GOAL OF THIS LESSON

The goal of this lesson is to understand the importance of using professional purchasing, receiving and inventorying procedures.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. describe the role of food specifications and what should be included in a well-written specification;
2. list the considerations to be examined in the decision to make or buy convenience foods;
3. identify causes of purchasing problems on the receiving dock;
4. list the items needed on a well-equipped receiving dock;
5. identify the important steps a receiver should use daily on the job;
6. describe the conditions for dry, refrigerated and frozen storage of foods;
7. define and describe perpetual inventory, requisition system and ingredient room;
8. describe the inventory process and how it might be done.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate sufficient copies of all handout materials.
2. Locate a blackboard for use in the classroom.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

3. If possible, have quantity food purchasing books available for class activity.

D. KEY WORDS USED IN THIS LESSON

FOOD SPECIFICATION: a written description of a food product

SPECS: the professional or trade abbreviation for specification

PURVEYOR: the person or company from which products are bought; also called a supplier or vendor

RECEIVING CLERK: a person assigned to the duties performed at the receiving dock which include checking in all purchased goods, following specific procedures

RECEIVING SHEETS: lists of food items to be delivered at a given time

CREDIT MEMO: a written form that indicates credit is due from the purveyor to the purchaser; usually used when a food ordered and billed to purchaser is not acceptable or must be returned to the purveyor

SPOT-CHECK: to check on an irregular basis items received; for example, today, thoroughly check the quality and weight of lettuce, apples and onions, and during the next delivery thoroughly check the cabbage, oranges and radishes

TOTAL GROSS WEIGHT: the weight of the food and the containers in which the food is shipped

NET WEIGHT: weight of just the food product, minus the weight of the shipping container(s)

DUNNAGE RACKS: low shelves or racks, usually about 12 inches high, that are used to store foods off the floor

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

PALLETS: a wooden or plastic frame about 6 inches high and 36 to 48 inches square, used to store food items off the floor

FIRST IN--FIRST OUT: a rotation system whereby products are rotated so that the oldest foods are put in front so that they are used first by cooks; the foods most recently received are put in back, behind or underneath items presently on hand.

DRY STORAGE: the area that stores food items that do not require low temperatures, such as canned foods, spices, flour, sugar, and cereals

REQUISITION: a written request for products needed, usually an intra-departmental form

INGREDIENT ROOM: an area which performs pre-preparation activities for recipe ingredients, such as scaling, measuring, peeling, chopping, and so forth

ACTUAL COST BASIS: a method of allotting purchased goods to the accounting period in which it is used

E. REFERENCES FOR ADDITIONAL INFORMATION

Keiser, James, and Kallio, E. Controlling and Analyzing Costs in Food Service Operations. John Wiley and Sons, New York, New York, 1974.

Stokes, John W. How to Manage a Restaurant or Institutional Food Service. Wm. C. Brown Co., Dubuque, Iowa, 1977.

Warfel, M. C., and Waskey, F. H. The Professional Food Buyer. McCutchan Publishing Corporation, Berkeley, CA, 1979.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITY
I. <u>PURCHASING IS VITAL IN CONTROLLING FOOD COSTS.</u> A. Writing food specifications is the first step in controlling food purchasing. 1. Is a written description of a food product developed from information on the style and variety of each item, including: a. common or usual trade name of product b. recognized federal, trade or commonly accepted local grade c. unit or container on which the price is quoted d. the name and size of the basic container 2. Additional information often needed: a. count and size of items or units in the container	Distribute Handout #5-1 and review the sample food specification presented. As a class, complete the specification exercise presented using the best knowledge present in the group. A real specification would be developed from information found in purchasing textbooks or from materials provided by manufacturers or distributors of various products.

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIV

- b. weight ranges of the product
 - c. minimum or maximum trims allowed
 - d. type of processing and packaging
 - e. degree of ripeness
 - f. any additional information that would eliminate possibility of misunderstanding, such as geographic area of origin or style and condition of pack
3. Written specifications or "specs," usually are written to cover an entire school district; each school would not have separate or different specifications.
4. Specifications should be distributed or available to:
- a. the food buyer or person who orders foods and supplies

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIV
b. the person who receives foods and supplies and checks items for correctness c. the vendors and purveyors from whom items are bought--or from whom items may be bought in the future d. the foodservice director or business manager who is ultimately responsible for controlling costs in the department 5. Preparing specifications for the hundreds of items used in a foodservice appears to be a tremendous task. a. Most food items are already covered by standards set by individual companies, trade groups or governmental agencies b. Thus, only a few items must be tested to turn those established standards into specifications for an individual school or school district.	

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITY

- c. Testing of food products generally involves the selection of standards already established by government or by trade practices.
 - d. The best and most complete source of information on food standards is government publications, in particular USDA publications available from the Superintendent of Documents in Washington, D. C., or from the Government Printing Office bookstore, located in Detroit.
 - e. A recent reference called SPECS: The Comprehensive Food Service Purchasing and Specification Manual, by Raymond Pedderson, is also an excellent source of detailed information on all kinds of food products.
- B. One of the most difficult purchasing decisions to make is whether to prepare an item "from scratch" or to buy it ready-made in a convenience form.

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITY

1. The main factors affecting the "make or buy" decision are price and quality.
 - a. Price comparisons are relatively simple to determine on a portion size basis. Calculating the specific portion cost of a serving of your "scratch recipe" may be the most time-consuming part of this task.
 - b. The quality of a product is a subjective judgment as to how well the taste, appearance, consistency or other aspects of the food meet the standards set by the department.
 - (1) Quality decisions may be made by using taste panels of cooks, students or parents.
 - (2) Quality decisions may also be made by running the new food item on the menu and asking customers for their opinions.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITIES
2. Other considerations in the "make or buy" decision: a. equipment available b. the number and availability of qualified cooks c. time available for preparation d. size and type of available packaging of convenience food products e. consistent availability and consistent quality of the products f. versatility in use of the product g. the reputation of the supplier 3. For more details on this topic, including the advantages, disadvantages and implications of using convenience foods, see the reference, <u>The Professional Food Buyer</u>, by M. C. Warfel and Frank H. Waskey, Chapter 13.	Distribute Handout #5-2 and review together the questions a manager/director might answer in trying to make the "make or buy" decision. Ask the participants if there are other questions that they think might be helpful in making this decision. Write those on the chalkboard.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITIES

4. All preparation activities involve ingredient food costs and labor costs.
 - a. For example, if the cost of making lasagna is \$80 for raw ingredients and \$100 in labor, the total food and labor cost for this "scratch" product is \$180.
 - b. In trying to decide whether to continue to make lasagna or to purchase a convenience food product, the total food and labor cost must not exceed \$180.
 - c. If the convenience form of lasagna costs \$160 to purchase, you have only \$20 worth of labor to use for end-heating lasagna. The previous labor level of \$100 must be reduced by \$80 to make this lasagna purchase a wise buying decision.
 - d. Decreasing labor by \$80 on the day lasagna is on the menu may be impossible, especially with union contract restrictions.

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTI

- e. Thus as people retire or leave the kitchen staff, an increased use of convenience food items may be considered.
 - f. In this case, make sure month-end figures for the combined food and labor costs remain similar to the levels achieved before convenience foods were used.
5. Large school districts such as Detroit have found that it is economically wise to take some commodity food items, such as chicken, and pay for them to be partially processed, or made into convenience foods.
- a. When received into each school kitchen, such processed commodities merely require end-heat or finish cooking.
 - b. This helps reduce on-site labor involved in tasks that require a great deal of hand work for the cooks.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITY

II. AFTER FOODS HAVE BEEN PURCHASED, PROPER RECEIVING CONTROLS MUST BE FOLLOWED TO MAINTAIN THE HIGH QUALITY OF THE FOODS.

- A. The person assigned the title receiving clerk is one of the most important employees on the staff.
1. This person should be well-trained and well-paid because the clerk is responsible for checking and accepting thousands of dollars worth of merchandise.
 2. Experience has shown that when a purchasing problem occurs, it is usually related to the receiving function and is the result of:
 - a. a poorly supervised receiving clerk
 - b. a poorly trained receiving clerk
 - c. inadequate or inaccurate scales in the receiving area

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITY
d. absence of written receiving instructions e. absence of proper forms to use in receiving goods B. A good receiving system includes adequate facilities and proper tools, plus a competent, trained receiving clerk. 1. An office, counter or desk for the receiving clerk should be located as near as possible to the receiving dock, and adjacent to both the storeroom and the manager/director's office. a. While working at this counter or desk, it is important that the receiving clerk sees all the activity at the entrance to the storeroom and on the dock. All merchandise coming in or leaving the property should pass the receiving clerk.	

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING**LESSON CONTENT****CLASS ACTIV**

- b. There should be adequate space outside or beside this counter or desk to check in merchandise properly and not have products pile up, which may cause a "rush job" at check-in time.
- 2. Adequate equipment should be provided so that the receiving clerk can perform a thorough job. Receiving equipment should include:
 - a. appropriate scales, either platform or floor models
 - b. copies of all food specifications, displayed in a manner for easy reference, such as on a bulletin board
 - c. clip board, pens and markers for dating products
 - d. thermometers
 - e. copies of all required forms, such as receiving sheets and credit memo forms

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITIES
f. a copy of the department's receiving instructions and standards g. strap cutter, crate hammer, crowbar, and sharp knife h. an adequate number of carts or dollies to move products from the receiving area to storage areas i. an area to store equipment and forms such as a file cabinet C. Weighing, counting and measuring are the most important activities of the receiving clerk. The following are good rules to follow: 1. To weigh accurately, remove the paper or containers from turkeys, meats and other wrapped items, or take a standard allowance that is agreeable to you and the purveyors. 2. Never accept weights or counts stamped on a box or container if it can be opened and weighed or counted.	Distribute Handout #5-3 so class participants can read along as these important tasks of receiving are presented.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORING

LESSON CONTENT	CLASS ACTIV
3. Check the weights of such merchandise as eggs, oranges, lettuce, tomatoes, butter, and coffee against the weights that appear in your food specifications. 4. Weigh containers of frozen foods on a spot-check basis. Weighing every case of frozen food is usually not necessary. 5. Count or weigh bags containing such items as carrots, potatoes, dry beans, rice, and flour to determine whether the weights match the invoices. 6. Check individual weights of melons to see if they meet the specifications. 7. Count baking potatoes, melons, tomatoes, oranges, apples or other items sold by size or count. 8. When weighing large quantities of like items, such as ground beef or poultry, weigh the total gross, and then spot-check individual items to see that weight ranges and quality are according to "specs."	

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITIES

9. Keep a ruler tied to the receiving scale for checking the length and trim of various meats.
10. Occasionally weigh sealed cases of canned or bottled products, since one or two cans or bottles may be missing and would not be evident from the outward appearance.
11. Date all merchandise received, even canned goods, so that an accurate rotation system can be maintained in all storage areas. Marking the vendor who delivered the goods on each is also recommended so that, if a product needs to be returned because of poor quality after being opened, the vendor to contact is immediately known.

III. AFTER FOODS HAVE BEEN RECEIVED, PROPER STORAGE CONTROLS MUST BE FOLLOWED TO PRESERVE THE HIGH QUALITY OF THE FOODS RECEIVED.

- A. All foods should be placed in storage as soon as possible following delivery, unless they are to be used immediately.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITY

1. Place dry groceries, canned goods and staples in the dry storeroom.
 2. Place perishable foods under refrigeration promptly.
- B. Rules for care and control in the dry storeroom:
1. Keep the room dry and cool, about 50°F to 65°F, to prevent swelling of canned goods and to prevent spoilage of other food items.
 2. Keep the room clean, free from rodents and vermin:
 - a. Store all products off the floor on pallets, shelves or dunnage racks.
 - b. Clean walls, floors and shelves in this room regularly.
 3. Rotate foods using the "FIFO" system. This stands for "First In-First Out," and is easily done if items are dated.

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIV

- a. Arrange foods so that heavy items are stored near the door to minimize transportation of these items.
- b. Arrange foods in an order that is identical to the inventory and order sheets. This saves a great deal of time when taking inventory.
- 4. Lock room at all times when no one is working in it. One individual should be responsible for the key during the regular work shift.
- 5. Do not keep soaps, detergents, insect powders, rat and other poisons in the food storeroom. A separate locked area should be provided so these will not be mistaken for food products.
- C. Guidelines for care and control in refrigerated storage areas:
 - 1. Store foods at proper temperatures to maintain freshness and avoid spoilage:

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITIES

- a. produce at 40°F to 45°F
 - b. meat and dairy products at 36°F to 40°F
 - c. seafood and poultry at 23°F to 30°F which means these two foods should be packed in ice in the refrigerator.
2. Store all cooked foods (leftovers) or other products removed from their original containers in clean, sanitized, covered containers and identified by date.
 3. Store all foods to permit free circulation of the cool refrigerated air on all surfaces. This helps reduce the possibility of foods not chilling adequately and spoiling.
 4. Store foods on shelves or dunnage racks and not directly on the floor.
 5. Schedule regular cleaning times for all refrigerators including walls, shelves and floors.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITIES
D. Guidelines for care and control in frozen storage areas: 1. Store foods at proper temperatures, from -10°F to 0°F. 2. Check the freezer thermometer frequently, at least twice daily. 3. Wrap all foods well; date, label and indicate the amount in the package. 4. Try to plan all withdrawals from the freezer at one time to reduce loss of cold air because of frequent door openings. 5. Store the most used items near the door. 6. Clean the freezer on a regular basis, which may mean moving all foods into another freezer so a thorough cleaning is possible. IV. <u>INVENTORY CONTROLS MUST BE MAINTAINED ON A DAILY BASIS AND INCLUDE CONTROLLED ACCESS TO ALL STORAGE AREAS WHENEVER POSSIBLE.</u>	

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITY
A. Know exactly how much food is in storage; only those employees designated as storeroom personnel should have access to these areas. 1. Keep dry storage areas locked except when removing foods for production use. 2. Keep expensive items stored in refrigerators or freezers locked also, perhaps in screened-off areas or cages. 3. Do not allow delivery personnel to enter storage areas. Foods should be stored by foodservice personnel only, so that there is no opportunity for theft. B. Maintain a perpetual inventory in some storerooms or freezers. 1. Keep a "running inventory" of all foods put into or taken out of a given storage area. 2. Date and initial all additions or removals.	136

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITIES
3. About once a month, take a physical inventory to count and total all food items. 4. Match the amount of food recorded on the physical inventory with the amount of food shown on the perpetual inventory form. 5. If these two inventory figures do not match for some food items, determine the cause: a. Thievery is one cause for the difference. b. Cooks or other staff members not recording the removal of the items is a cause for the difference. c. The addition of an item into the storeroom and not recorded accurately is a cause for the difference. C. Large foodservice departments may use a requisition system to maintain controls in storage areas.	

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LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIVITIES

1. Requisitions are merely forms used to write down all foods withdrawn from storage areas.
2. Sometimes cooks write their own requisitions that include all food items they will need from the storeroom or freezer.
3. Requisitions are "filled," or the food items collected by a receiving or a stock person who delivers the items to the appropriate cook or kitchen area once or twice daily.

D. Taking inventory can be a time-consuming task.

1. It means counting the amount of each food item on hand.
2. Is much quicker if one person counts the food items and a second person records the amounts on pre-printed inventory sheets.

Distribute Handout #5-4 and review inventory procedures and forms used.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT

CLASS ACTIV

3. Inventory sheets should be printed with food items in the same order as they are stored in the storage areas, or the food items should be arranged to match the order on the inventory sheets.
 4. Having a manager/director and a cook take the inventory is often a workable arrangement, and cooks enjoy being a part of the operational duties required of food-service managers.
- E. Using an ingredient room is one way to control access to storage areas.
1. An ingredient room is an area where ingredients are weighed or measured in advance for use by cooks.
 2. This may involve pre-peeling of vegetables, weighing dry ingredients, or measuring liquid ingredients.
 3. The advantage of such a system is that it saves time for the cooks who can then spend all of their work hours in actual preparation activities.

LESSON 5 : FOOD COST CONTROLS: PURCHASING, RECEIVING AND INVENTORYING

LESSON CONTENT	CLASS ACTIVITY
4. For control purposes, such a system keeps all employees out of storage areas except the person who is doing the ingredient scaling and measuring. 5. An ingredient room can only be used successfully in a foodservice operation that uses standardized recipes and can forecast needs at least 24 hours in advance of service. F. Additional information about inventory and storeroom controls is available in Chapter 10 of <u>The Professional Food Buyer</u>.	140

HANDOUT #5-1

FOOD SPECIFICATIONS

Sample Food Specification

1. Common or trade name or brand name
Uncle Ed's Hamburger Patty
2. Federal, trade or commonly accepted local grade
Good
3. Unit or container on which price is quoted
10 lb. box
4. Name and size of basic container if applicable
Not Applicable (N/A)
5. Additional information
Patty size 4/lb; 40 pc/box; frozen 80:20 lean/fat ratio from Iowa corn fed beef. Packed with wax liner separating patties; box lined with poly bag; no evidence of freezer burn or thawing.

Class Exercise

Divide into small groups of 3 or 4 participants and assign each group one of the foods below to write a specification. Enter appropriate information on the chart below. "Create" information needed to complete this exercise since needed references for all required data may not be available. If quantity food purchasing books are available, let participants look up the needed information. Share results of each group with entire class.

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HANDOUT #5-1

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Foods Needing Specifications:

canned peach halves used for cottage cheese salad
canned green beans used as vegetable
pears used for jello salad
tomatoes used in vegetable soup
low-fat milk half pints
breaded fish square (used in a high school)
frozen whole kernel corn
fresh pork chops for middle school

1. Common or trade name	
2. Grade if applicable	
3. Unit or container on which price is quoted	
4. Name or size of basic container size	
5. Additional information-count, size of items, area of origin, weight ranges, ripeness times allowed, style of pack, type of processing or packaging	

HANDOUT #5-2

QUESTIONS TO ANSWER
CONCERNING THE "MAKE OR BUY" DECISION

1. Is specialized equipment needed to properly prepare and serve this food? This question refers to two situations.
 - A. If you now peel your own potatoes in a mechanical peeler, and it breaks down beyond repair, you may decide to buy pre-peeled potatoes rather than replace the mechanical vegetable peeler.
 - B. If the convenience food product you have considered must be heated in special equipment, such as a convection oven, and you do not have such an oven, you might reject that food product because of equipment requirements that you can not afford, or do not have space for.
2. If equipment is to be purchased, is there space for it? The space available must be in the proper location for efficient production and traffic flow. Having space for a new convection oven in the cold food preparation area may be more of a problem than a help!
3. Is skilled labor available for on-site preparation? If qualified cooks are not easily available in your area, more convenience foods may be the answer.
4. Is management aware of the operational changes required if convenience foods are incorporated into the menu? These might include more frozen storage space, alteration in employee schedules and a need for training employees in the proper handling of these new and more costly foods.

HANDOUT #5-2

Page 2

5. Which type of packaging is best for your operation? Convenience foods can be frozen in slabs, in large pouches, in individual pouches or individually quick frozen (IQF). Canned convenience foods come in a variety of sizes as well as a counter pan shaped can that has been introduced in recent years.
6. Is the food item easy to serve? Will it hold up the serving line due to counter servers having to take more time dishing up each serving?
7. Do changes in preparation of the convenience food item, such as small batch cooking, create problems due to inadequately designed kitchens or serving areas?
8. Are the convenience food items consistently available in the amounts needed? If you need 10 cases of a product every week, are they available?
9. Is the product consistent in quality or does the quality vary in each shipment?
10. Are the suppliers who handle the product reputable?

HANDOUT #5-3

RULES TO FOLLOW FOR RECEIVING CLERKS

1. To weigh accurately, remove the paper or containers from turkeys, meats and other wrapped items, or take a standard allowance that is agreeable to you and the purveyors.
2. Never accept weights stamped on a box or container if it can be opened and weighed or counted.
3. Check the weights of such merchandise as eggs, oranges, lettuce, tomatoes, butter and coffee against the weights that appear in your food specifications.
4. Weigh containers of frozen foods on a spot-check basis. Weighing every case of frozen food is usually not necessary.
5. Count or weigh bags containing such items as carrots, potatoes, dry beans, rice and flour to determine whether the weights match the invoices.
6. Check individual weights of melons to see if they meet the specifications.
7. Count baking potatoes, melons, tomatoes, oranges, apples or other items sold by size or count.
8. When weighing large quantities of like items such as ground beef or poultry, weigh the total gross, and then spot-check individual items to see that weight ranges and quality are according to "spec."
9. Keep a ruler tied to the receiving scale for checking the length and trim of various meats.

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HANDOUT #5-3

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10. Occasionally weigh sealed cases of canned or bottled products since one or two cans or bottles may be missing and would not be evident from the outward appearance.
11. Date all merchandise received, even canned goods so that an accurate rotation system can be maintained in all storage areas. Marking the vendor who delivered the goods on each is also recommended.

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HANDOUT #5-4

INVENTORY PROCEDURES

An inventory is a list of goods or stock on hand, with the current dollar value or purchase value of that stock.

A good, simple inventory system is a necessary and useful tool. It is a key to cost control in a food service operation. Inventory is the process of collecting the value of food and supplies that have not been used at the end of an accounting period. By properly utilizing an inventory system, all operational reports can be put on an actual cost basis. The cost of food and supplies used will be allocated to the accounting period in which the costs are incurred.

Procedure

1. Develop an inventory form (see attachment). Duplicate the form so sufficient copies will be available for the school year.
2. Take inventory at the end of each month. This month's ending inventory will be next month's beginning inventory. Take only one inventory per month. Be accurate when you take the inventory.
3. The process of assigning value to goods received can be handled two ways:
 - a. As the products are received, mark the price on the container (can, bag) with a marking pen or wax pencil. At the end of each month, total the value of each item of food and enter under ending value. Also, enter the count under ending quantity.

HANDOUT #5-4

Page 2

- b. Keep an on-going record of prices for each item and update it so the most current price is used. Multiply this "latest price" by the count of cases/cans. This method moves a greater portion of the computation from the storeroom to the office.
4. Inventories are part of your district's record keeping system and should be kept on file for three years.
5. Review and revise inventory forms once a year.

Prepared by: Food and Nutrition, Program Development
Michigan Department of Education,
March, 1981

HANDOUT #5-4 (a)

PROCEDURE FOR DEVELOPING AN INVENTORY FORM

1. Make a separate list of:
 - a. foods
 - b. United States Department of Agriculture Commodities
 - c. supplies such as paper products, cleaning supplies, which represent those items most often used. Blank spaces should be included on the lists for future items purchased.
2. Categorize each list by storage condition and by type of food or supply:
 - a. storage condition categories
 - dry storage
 - refrigerated foods
 - frozen foods
 - other
 - b. food categories
 - protein rich: cheese, eggs, beef, chicken, turkey, fish, processed meats
 - fruits
 - vegetables
 - bread products
 - cereals
 - staples: flour, sugar, etc.
 - juices
 - soups
 - dairy products
 - mixes
 - condiments
 - miscellaneous

HANDOUT #5-4 (a)

Page 2

c. supply categories

cleaning supplies

paper products: trays, plates, cups, straws,
etc.

miscellaneous: film, aprons, etc.

3. Provide columns for:

- a. inventory quantity
- b. unit price
- c. value of inventory item

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DATE: _____

[illegible]

TOTAL: \$_____

HANDOUT #5-4 (c)

SAMPLE INVENTORY FORM

Learning is Fun School

Date: Feb. 27, 1981

ITEM	SIZE	ENDING QUANTITY	UNIT PRICE		ENDING VALUE	
CANNED FRUITS						
Applesauce	#10 can	5	1	92	9	60
Apples, Diced	#10 can	2	2	29	4	58
Fruit Mix	#10 can	3	3	21	9	63
Pears, Diced	#10 can	1	3	00	3	00

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LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

A. GOALS OF THIS LESSON

The goal of this lesson is to understand the importance of portion costs of menu items and production schedules and records on controlling food costs in a food service operation.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. calculate the portion cost of single foods;
2. calculate the portion cost of a recipe;
3. identify the value of keeping production records;
4. list the items frequently found on a production schedule.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate sufficient copies of all handout materials.
2. Locate a chalk board to use in the classroom.

D. KEY WORDS USED IN THIS LESSON

FOOD COST: the total amount spent on food items during a specific period of time, usually a month

LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

PORTION COST: the cost of the food in one portion of an item

YIELD: the amount of food that results after processing, or the total amount of food a recipe will make

BATCH COST: the cost of the total large quantity recipe

E. REFERENCES FOR ADDITIONAL INFORMATION

Keiser, James, and Kallio, E. Controlling and Analyzing Costs in Food Service Operations (see Lesson 5)

Stokes, John W. How to Manage a Restaurant or Institutional Food Service (see Lesson 5)

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LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

LESSON CONTENT	CLASS ACTIVITY
I. <u>MENU CONTROLS AFFECT FOOD COSTS.</u> A. Determining and using portion costs of menu items information may be the most effective food cost control. 1. Calculating portions costs is often a complex task. a. Single foods are easier to calculate, such as the price of a slice of cheese. Example: If cheese costs \$1.80 per pound, how much does a 1-ounce slice cost? $\frac{\$1.80 \text{ per lb}}{16 \text{ oz per lb}} = \$0.113/1 \text{ ounce slice}$ b. Mixtures such as chili or meat loaf take more time and more calculations. (1) Obtain detailed written recipe with a known yield.	

LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

LESSON CONTENT	CLASS ACTIVITIES
(2) Determine the cost of each recipe ingredient (3) Calculate the recipe batch cost for each ingredient (4) Total batch costs and divide by the yield of the recipe to determine the portion cost. 2. Portion cost information should be recorded in an organized manner for easy reference, and should be revised and updated at least twice a year if possible. B. Other menu cost controls include seasonal considerations. 1. Many foods have little seasonal variation in either price or availability, because of modern advances in agriculture, food processing techniques and transportation. 2. Some foods still increase in price during certain months of the year.	Using Handout #6-1, review the ingredient cost calculations on the recipe given. Repeat any calculations that participants do not understand. Distribute Handout #6-2 and ask participants individually or in pairs to determine the portion cost of the recipe given. <u>Note to Instructor:</u> Handout #6-2 may be used as a homework assignment.

LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

LESSON CONTENT	CLASS ACTIVITY
a. If food prices are recorded regularly, it will be easy to know if the current price is high or low. b. If the portion or unit cost of a food is determined, then it can be decided if the item is too costly to be on the menu.	Distribute Handout #6-3 and review the suggested price recording form. Answer the questions at the bottom of the Hand-out together as a class.
II. <u>USE PRODUCTION SCHEDULES AS A SIMPLE AND EFFECTIVE METHOD FOR CONTROLLING FOOD COSTS.</u> A. The reasons written production schedules and records are valuable for: 1. forecasting and determining future food needs for ordering purposes. 2. controlling leftover foods resulting from over-production. 3. controlling food run-outs resulting from under-production. B. Production schedules vary in each foodservice operation, but the information on such a sheet may include:	

LESSON 6 : FOOD COST CONTROLS: MENU AND PRODUCTION

LESSON CONTENT	CLASS ACTIVITY
1. menu items and recipe numbers 2. portion sizes 3. amounts to prepare in total portions, gallons or pans 4. distribution of foods if more than one location is involved 5. amount leftover, or the time it ran out 6. total portions used each day 7. special preparation instructions or garnishes to use 8. date and day of cycle, if appropriate C. Keep production sheets on file by date and to be referred to when those food items or that cycle menu occurs again.	Distribute Handout #6-4 and review the production schedule form and the sample information given.

HANDOUT #6-1

RECIPE COSTING EXERCISE

Recipe costing can be complex unless an organized system for conversions is established and kept on hand. Recipe units are frequently not the same as purchasing units. For Example: Your recipe may use cinnamon in tablespoon units but you purchase cinnamon in pounds. You must be able to convert the price of a pound of cinnamon to a price per tablespoon. Express all amounts as decimals rather than fractions so that a calculator can be used for calculations.

EXAMPLE: Determine the cost of one tablespoon of cinnamon if it costs \$3.40 per pound. The conversion for cinnamon is 1 ounce.

$$\begin{array}{r} \$.213 \text{ per oz.} \\ 16 \overline{) \$3.40} \end{array}$$

$$\begin{array}{r} \$.053 \text{ ANSWER} \\ 4 \overline{) \$.213} \end{array}$$

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HANDOUT #6-1

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INGREDIENTS	100 PORTIONS	CONVERT TO DECIMALS	PURCHASE UNIT COST	CALCULATIONS	RECIPE UNIT COST	FINAL COST
1. RICE, UNCOOKED	4 3/4 lb.		\$ 7.00/50#		/lb.	
2. BEEF, GRD., COOKED	18 lbs.		\$ 1.38/#		/lb. ck	
3. ONIONS, DRY, CHP.	2 C		\$12.00/50#		/C	
4. BLACK PEPPER	2 tsp.		\$ 1.98/#		/t.	
5. SALT	1/2 C		\$ 2.25/25#		/C	
6. CABBAGE HEADS	10 each		\$ 9.00/ctn.		ea.	
7. SAUERKRAUT	1 #10 cn.		10.00/cb		/cn.	
8. TOMATOES, DRAINED	8# 2 oz.		\$ 7.80/cb		/lb.	

Refer to Yield and Conversion Chart for needed conversion information.

NOTE: $\frac{\text{AP Price}}{\text{Yield } \frac{1}{2}} = \text{EP Price}$

BATCH COST

PORTION COST

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YIELD AND CONVERSION CHART

FRESH FRUITS AND VEGETABLES

Fruits and Vegetables	Net Weight per Case or Bushel	EP Yield %	Approximate Conversions and Other Information
Apples	48#	90%	1# EP = 1 qt chp
Bananas	40#	67%	1# EP = 2 c sl
Melon, Cantaloupe	70-75#	78%	1# EP = 1 3/4 c diced
Peaches	50#	88%	1# EP = 2 c diced
Pineapple	6 pc/bx	60%	Ea = 2.25# = 1.5 qt diced
Cabbage	50-51#	75%	1# EP = 5 1/2 c shrd, 1 head = 3# AP
Carrots (cello)*	48#	74%	1# EP = 1 qt chp
Celery	60#	78%	1# EP = 1 qt chp
Cucumbers	50#	90%	1# EP = 3 c chp (1 qt sl)
Endive	15-20#	70%	
Lettuce, head	48#	70%	24/2# heads/cs
Lettuce, leaf	15#	70%	
Mushrooms	5#/10#	92%	1# EP = 5 3/4 c sl
Onions, dry	50#	95%	1# EP = 3 c chp (1 qt sl)
Peppers, green	25-30#	85%	1# EP = 3 c chp
Spinach	20#	81%	1# raw EP = 2 c ck
Squash, Zucchini	22# 1 1/2 bu	93%	
Tomatoes	20-30# lug	90%	1# EP = 3 c chp

*Come in cellophane (plastic type) bag with no tops.

HANDOUT #6-1 (b)

DECIMAL CONVERSION CHART

DECIMAL UNIT	WEIGHT		MEASURE		
	OZS.	LBS.	CUPS	QTS.	GALS.
.0125	1/2		1/2		
.0625	1		1	1/4	
.09375	1-1/2		1-1/2		
.125	2	1/8	2	1/2	
.15625	2-1/2		2-1/2		
.1875	3		3	3/4	
.21875	3-1/2		3-1/2		
.25	4	1/4	4	1	1/4
.28125	4-1/2		4-1/2		
.3125	5		5	1-1/4	
.34375	5-1/2		5-1/2		
.375	6	3/8	6	1-1/2	
.40625	6-1/2		6-1/2		
.4375	7		7	2-3/4	
.46875	7-1/2		7-1/2		
.5	8	1/2	8	2	1/2
.53125	8-1/2		8-1/2		
.5625	9		9	2-1/4	
.59375	9-1/2		9-1/2		
.625	10	5/8	10	2-1/2	
.65625	10-1/2		10-1/2		
.6875	11		11	2-3/4	
.71875	11-1/2		11-1/2		
.75	12	3/4	12	3	3/4
.78125	12-1/2		12-1/2		
.8125	13		13	3-1/4	
.84375	13-1/2		13-1/2		
.875	14	7/8	14	3-1/2	
.8625	14-1/2		14-1/2		
.9375	15		15	3-3/4	
.96875	15-1/2		15-1/2		
1.0	16 ozs. 1 pound		16 cups	4 qts.	1 gallon

HANDOUT #6-1 (c)

RECIPE COSTING EXERCISE-INSTRUCTOR'S ANSWER SHEET

Recipe costing can be complex unless an organized system for conversions is established and kept on hand. Recipe units are frequently not the same as purchasing units. For Example: Your recipe may use cinnamon in tablespoon units but you purchase cinnamon in pounds. You must be able to convert the price of a pound of cinnamon to a price per tablespoon. Express all amounts as decimals rather than fractions so that a calculator can be used for calculations.

EXAMPLE: Determine the cost of one tablespoon of cinnamon if it costs \$3.40 per pound. The conversion for cinnamon is 1 ounce.

$$\begin{array}{r} \$.213 \text{ per oz.} \\ 16 \overline{) \$3.40} \end{array}$$

$$\begin{array}{r} \$.053 \text{ ANSWER} \\ 4 \overline{) \$.213} \end{array}$$

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HANDOUT #6-1 (c)

page 2

RECIPE COSTING EXERCISE-INSTRUCTOR'S ANSWER SHEET

INGREDIENTS	100 PORTIONS	CONVERT TO DECIMALS	PURCHASE UNIT COST	CALCULATIONS	RECIPE UNIT COST	FINAL COST
1. RICE, UNCOOKED	4 3/4 lb.	4.75 lb.	\$ 7.00/50#	$\frac{7.00}{50} = .14/\#$	.14/lb.	.66
2. BEEF, GRD, COOKED	18 lbs.	18	\$ 1.38/#	$\frac{1.38}{.75} =$	1.76/lb. ck	31.68
3. ONIONS, DRY, CHP.	2 C	2	\$12.00/50#	$\frac{12.00}{50} = 24/\# \div 15 \div 3$	.08/C	.16
4. BLACK PEPPER	2 tsp.	2	\$ 1.98/#	$\frac{1.98}{16} = 12 1/2 \div 10.5 \div$	.01/t.	.02
5. SALT	1/2 C	.5	\$ 2.25/25#	$\frac{2.25}{25} = .09/\# \div 2C$	.045/C	.02
6. CABBAGE HEADS	10 each	10	\$ 9.00/ctn.	$\frac{9.00}{17 \text{ heads}} = .53$	.53/ea.	5.30
7. SAUERKRAUT	1 #10 cn.	1	\$10.00/cn	$\frac{10.00}{6} = 1.67$	1.67/cn.	1.67
8. TOMATOES, DRAINED	8# 2 oz.	8.125 lb.	\$ 7.80/cn	$\frac{7.80}{6} = 1.30/\text{cn} \div 4.25 \div$	.31/lb.	2.49

Refer to Yield and Conversion Chart for needed conversion information.
Explanation for calculations is on the next page.

NOTE: $\frac{\text{AP Price}}{\text{Yield}} = \text{EP Price}$

BATCH COST	42.00
PORTION COST	.42

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HANDOUT #6-1 (d)

FOR INSTRUCTOR

EXPLANATION FOR CALCULATIONS ON HANDOUT #6-1 (c) PAGE 2

1. Change 4 $\frac{3}{4}$ pounds of rice to 4.75 using the Decimal Conversion Chart on page 2 of Handout #6-1. Divide the price of \$7.00 by 50 pounds to get the unit cost of \$.14 per pound.
2. Using the formula in the lower left corner of the recipe (As Purchased Price divided by the Yield Percentage written as a decimal gives the Edible Portion Price) divide the AP price for ground beef of \$1.38 per pound by the yield of 78% found on page 7 of the Yield and Conversion Chart to get the cooked EP price of \$1.77 per pound cooked.
3. Divide \$12.00 price by 50 pounds per bag to get the price of \$.24 for As Purchased onions. Following the formula divide this AP price by the yield percentage of .95 to get the price per EP pound. This is then divided by 3 because there are 3 cups of chopped onions per pound. This gives you the price of \$.08 for one cup of chopped onions.
4. Divide the \$1.98 price per pound of black pepper by 16 ounces per pound to get the price of \$.12 per ounce. On page 6 of the Yield and Conversion Chart it says there are $3\frac{1}{2}$ T per ounce of black pepper. To convert tablespoons to teaspoons multiply the $3\frac{1}{2}$ times 3 to get $10\frac{1}{2}$ or 10.5 teaspoons of black pepper per ounce. Divide the price per ounce of \$.12 by 10.5 teaspoons to get the answer of \$.01 per teaspoon.
5. Divide the cost of one bag of salt, \$2.25 by the weight of 25 pounds to get \$.09 per pound. The Yield and Conversion Chart says salt has 2 cups per pound on page 6 so divide this pound price for salt by 2 to get the price per cup as requested.

HANDOUT #6-1 (d)

Page 2

6. The Yield and Conversion Chart says cabbage heads weigh 3 pounds each and that each carton weighs about 50 or 51 pounds. Divide 51 by 3 to determine that there are 17 heads per carton. Take the price of \$9.00 and divide by 17 to get the price for each head of \$.53.
7. Take the case price of \$10.00 and divide by 6 because all cases of #10 cans have 6 cans per case. This gives a can price of \$1.67.
8. Take the case price for tomatoes of \$7.80 and divide by 6 cans per case. Take this can price of \$1.30 and divide by the MDW (Minimum Drained Weight) of 4.25 which is found on page 5 of the Yield and Conversion Chart. This gives a price per pound of canned tomatoes of \$.31.

All figures in the Recipe Unit Cost column are then multiplied by the amount of each ingredient written as decimals as was done in the third column. This gives you the figures in the Final Cost column as is shown below.

1. $.14 \times 4.75 = .67$
2. $1.76 \times 18 = 31.68$
3. $.08 \times 2 = .16$
4. $.01 \times 2 = .02$
5. $.045 \times .5 = .02$
6. $.53 \times 10 = 5.30$
7. $1.67 \times 1 = 1.67$
8. $.31 \times 8.125 = 2.52$

Total these numbers to get the batch cost of \$42.04. Divide this by 100 portions to get the portion cost of \$.42 each.

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HANDOUT #6-1 (e)

CANNED FRUITS AND VEGETABLES

Fruits and Vegetables	Can Size	Min.Drn.Wt. (MDW)	Drained Measure	Other Information
Peach Halves,bg	#10	4#4 oz	2 qt diced	2½ oz/half
Peach Halves,sm	#10	4#2 oz	2 qt diced	1 2/3 oz/half
Peaches, sld cut	#10	4#12 oz	1 3/4 qt	
Pear Halves, bg	#10	4#3 oz	2 qt diced	2½ oz/half
Pear Halves,sm	#10	4#2 oz	2 qt diced	1 3/4 oz/half
Pineapple, crushed	#10	5#6 oz	2 3/4 qt	
Pineapple, chunks	#10	4#3 oz	2½ qt	
Pineapple, slices	#10	4#		38-40 count/#10 cn
Beans, kidney	#5			12/#5 cns/ case
Beans, green cut	#10	4#	2 qt	
Beets, diced	#10	4#13 oz		
Corn, whole kernel	#10	4#4 oz	2 qt ½ c	
Peas, green	#10	4#4 oz	2 qt	
Pumpkin	#10	6#10 oz	3 qt	
Sauerkraut	#10	5#	2½ qt	
Tomatoes	#10	4#4 oz	2 qt	
Tomato Paste	#10	6#2 oz	3 qt	
Tomato Puree	#10	6#10 oz	3 qt	

Note- all #10 cans come 6 cans per case.

HANDOUT #6-1 (f)

POPULAR SPICES

Spices	1 oz equals	Spices	1 oz equals
Accent	2½ T	Mustard, dry	5 T
Bay Leaf, crushed	1 c (130 ea)	Nutmeg, gd	4 T
Cayenne Pepper	4 T	Onions, Dehy	5 T
Celery Salt	2 T	Onion Salt	3 T
Chili Powder	3½ T	Oregnao, grd	5 T
Cinnamon, grd	4 T	Paprika	4 T
Cinnamon, sticks	5 ea	Parsley, Dehy	1½ c
Cloves, grd	3 T	Pepper, white/black	3½ T
Garlic Salt	2 T	Peppercorns	3 T
Garlic, Dehy	2 T	Poultry Seasoning	5 T
Ginger	5 T	Salt	2 T
Marjoram, grd	6 T	Thyme, leaf	10 T

MISCELLANEOUS ITEMS

Sugar, granulated	1# = 2 c
Sugar, powdered	1# = 3 c
Flour, unsifted	1# = 3½ c
Flour, sifted	1# = 4 c
Whole Eggs	1 c = 8 oz (9 large or 10 medium)
Margarine, Butter	1# = 2 c
Chopped Nuts	1# = 4 c
Salad Oil	1# = 1 pt
Spaghetti	1# raw = 2#6oz ck = 2½ qt ck
Noodles	1# raw = 3#6oz ck = 2½ qt ck
Rice	1# raw (2½c) = 3#4oz ck = 2 3/4 qt ck
Mayonnaise	4/1 gal/case
Salt	1# = 2 c

HANDOUT #6-1 (g)**POPULAR MEAT, FISH AND POULTRY YIELDS**

Item	AP to AS Yield
Bacon	25%
Corned Beef	63%
Chuck Roast	76%
Ground Beef, cooked medium	78%
Sirloin Butt Roast	78%
Ham, BRT Roast	82%
Pork Loin, Roast	73%
Shrimp	77% EP (63% AS ck)
Chicken	35% ck boneless
Turkey	46% ck boneless

SERVING AND PORTIONING EQUIPMENT

Scoop Size	Amount it Holds	Ladle Size	Amount it Holds
#6	2/3 c or 6 fl oz	1 oz	1/8 t
#8	1/2 c or 4 fl oz	2 oz	1/2 c
#10	3/8 c or 3 fl oz	4 oz	1/2 c
#12	1/3 c or 2.5 fl oz	6 oz	3/4 c
#16	1/4 c or 2.25 fl oz	8 oz	1 c
#20	3 1/5 T or 2 fl oz	Glassware Size	Amount it Holds
#24	2 2/3 T or 1.5 fl oz		
#30	2 1/5 T or 1 fl oz		
#40	1 3/4 T or .75 fl oz		
#70	3/4 T or .4 fl oz		
		5 oz glass	3-4 oz
		8 oz glass	6-7 oz

HANDOUT #6-2

RECIPE COSTING ASSIGNMENT

Cost the following recipe to determine the portion cost. Refer to Yield & Conversion Chart for needed information.

INGREDIENTS	50 PORTIONS	CONVERT TO DECIMALS	PURCHASE UNIT COST	CALCULATIONS	RECIPE UNIT COST	FINAL COST
1. KIDNEY BEANS, end	4/15 cns		\$10.50/cn		/cn	
2. GREEN BEANS, end	7/18 oz.		\$ 9.80/cn		/#	
3. EGGS, CHP. H.C.	15 each		\$.78/dz		ea.	
4. MAYONNAISE	1 1/2 C.		\$13.40/cn		/C	
5. CELERY DICED	7 1/2 C.		\$ 6.75		/C	
6. SALT	1 1/2 T.		\$ 2.40/25#		/T	
7. GRAN. SUGAR	1/2 C		\$ 6.20/50#		/C	
8. HAM DICED, CK.	2# 5 oz.		\$ 1.66/#		/#EP	
9. CHUNK PINEAPPLE, DRN	2 3/4 qt.		\$ 7.45/cn		/qt.	

Show math work on separate paper and submit together.

NOTE: $\frac{\text{AP Price}}{\text{Yield} \times Z} = \text{EP Price}$

BATCH COST

PORTION COST

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HANDOUT #6-2 (a)

RECIPE COSTING ASSIGNMENT-INSTRUCTOR'S ANSWER SHEET

Cost the following recipe to determine the portion cost.
Refer to Yield & Conversion Chart for needed information.

INGREDIENTS	YO PORTIONS	CONVERT TO DECIMALS	PURCHASE UNIT COST	CALCULATIONS	RECIPE UNIT COST	FINAL COST
1. KIDNEY BEANS, end	4/85 cns	4	\$10.50/cn	$\frac{10.50}{72}$	.88/cn	1.52
2. GREEN BEANS, end	7/88 oz.	7.5	\$ 9.80/cn	$\frac{9.80}{6} = 1.63 \div 4$	.41/8	3.06
3. EGGS, CHP. H.C.	15 each	15	\$.78/dz	$\frac{.78}{12}$	.065 ea.	.98
4. MAYONNAISE	1 1/2 C.	1.5	\$13.40/cn	$\frac{13.40}{4} = 3.35 \div 16$	.21/C	.31
5. CELERY DICED	7 1/2 C.	7.5	\$ 6.75	$\frac{6.75}{.78} = 8.65 \div 40 \div 4C$	.04/C	.27
6. SALT	1 1/2 T.	1.5	\$ 2.40/25#	$\frac{2.40}{25} = .10/\# \div 32T$	.003/T	.005
7. GRAN. SUGAR	1/4 C	.25	\$ 6.20/50#	$\frac{6.20}{50} = .12/\# \div 2C$	.06/C	.016
8. HAM DICED, CK.	2/85 oz.	2.3125	\$ 1.66/8	$\frac{1.66}{.82}$	2.02/8EP	4.68
9. CHUNK PINEAPPLE, DRN	2 3/4 qt.	2.75	\$ 7.45/cn	$\frac{7.45}{6} = 1.24 \div 2.25$	.55/qt.	1.52

Show math work on separate paper and submit together. Explanation for calculations is on the next page.

BATCH COST	14.36
PORTION COST	.29

NOTE: AP Price = EP Price
Yield Z

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HANDOUT #6-2 (b)

FOR INSTRUCTOR
EXPLANATION FOR CALCULATIONS ON HANDOUT #6-2

1. Take the case price for kidney beans and divide by 12, the number of #5 cans per case to get the can price of \$.88. The number of cans per case is shown on page 5 of the Yield and Conversion Chart.
2. Take the case price for green beans of \$9.80 and divide by 6 cans per case to get the can price of \$1.63. Divide this price per can by the MDW (Minimum Drained Weight) for one can of green beans which is 4 pounds as shown on page 5 of the Yield and Conversion Chart.
3. Take the price of a dozen eggs and divide by 12 to get the price of one egg.
4. Take the case price of \$13.40 and divide by 4 because on page 6 of the Yield and Conversion Chart it says there are 4 one gallon jars in a case. Take the price of one gallon, \$3.35 and divide by 16 cups per gallon to get the price of one cup which is \$.21.
5. Take the case price (AP or As Purchased price) for celery and divide by the yield percentage which is 78%. This gives you the price of clean celery in a case of 60 pounds. Divide this number then by 4 cups since there are 4 cups of chopped celery per EP or Edible Portion pound of celery.
6. Take the price of one bag and divide by the weight; \$2.40 divided by 25 which gives you the price of \$.10 per pound. On page 6 of the Yield and Conversion Chart it says that 1 pound of salt is 2 cups or 32 Tablespoons so divide the pound price of \$.10 by 32 to get the price of one tablespoon which is \$.003.

HANDOUT #6-2(b)

Page 2

7. Take the price of one bag and divide by the total weight; \$6.20 divided by 50 pounds which gives you a price of \$.12 per pound. Divide this figure by 2 since there are 2 cups in every pound of sugar.
8. Using the formula at the bottom of the recipe page, divide the AP price for ham which is \$1.66 by the yield percentage which is 82% as shown on page 7 of the Yield and Conversion Chart. This gives you the price of ham after trimming and cooking which is \$2.02 per pound.
9. Take the price of a case of pineapple and divide by 6 cans per case to give you a can price of \$1.24. Divide this can price by 2.25 quarts which is the drained measure of pineapple chunks in one #10 can as is shown on page 5 of the Yield and Conversion Chart. This gives you a price of \$.55 per quart of this item.

All figures in the Recipe Unit Cost column are then multiplied by the amount of each ingredient written as decimals as was done in the third column. This gives you the figures in the Final Cost column as is shown below.

.88 X 4 = 3.52
.41 X 7.5 = 3.08
.065 X 15 = .98
.21 X 1.5 = .32
.04 X 7.5 = .30
.003 X 1.5 = .005
.06 X .25 = .015
2.02 X 2.3125 = 4.67
.55 X 2.75 = 1.51

Total these numbers to get the batch cost of \$14.40. Divide this by 50 portions to get the portion cost of \$.29 each.

HANDOUT #6-3

SUGGESTED PRICE RECORDING FORM

Review the suggested form below. Such a format could be used for each food category. For example, one sheet for groceries, one for meats, one for produce, and so forth. Enter prices in pencil so that the high or low for the month can be erased and changed if need be.

FOOD ITEMS	Month-May				Month-June			
	Bulk Price		Unit Price		Bulk Price		Unit Price	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
Bananas (40# bx)	8.80	5.60	.073 each	.047 each				
Grd. Beef (20# bx)	27.40	25.20	1.37/#	1.26/#				
Cnd. Tomatoes (6/#10/cs)	6.88	5.90	1.147/cn	.983/cn				
Yogurt (8 oz.)			.47 each	.32 each				

Questions to answer based on the information above.

1. If bananas are going to cost you \$6.10 per box, is it a good buy?
2. If your ground beef today cost you \$28.20 per box, was it a good buy?
3. If canned tomatoes cost you \$6.75 per case, was it a good buy?
4. If individual cups of yogurt cost \$.39 each, is it a good buy?

PRODUCTION SCHEDULE - BLANK FORM

[illegible]

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

A. GOAL OF THIS LESSON

The goal of this lesson is to understand the importance of internal security in controlling pilferage and theft in a foodservice operation.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. identify the reasons managers are reluctant to admit that stealing may be happening in their department;
2. list the various costs created by internal theft;
3. list the seven traits desirable in all employees;
4. describe traits that may offer clues to help identify high risk present employees;
5. describe some frequently used theft techniques used by foodservice thieves; and
6. list various operational controls a manager/director can use to identify and control thievery

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate sufficient copies of all handout materials.
2. Locate a chalk board to use in the classroom.

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LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

D. KEY WORDS USED IN THIS LESSON

INTERNAL SECURITY: the control of theft by present employees working
"inside" your department

EXTERNAL SECURITY: the control of theft by persons not working for you who
"break in" from the outside

INVOICE: a written order and receipt of goods received from a vendor

PURCHASE ORDER: a written order for goods to be delivered from a vendor

REQUISITION: a written request for products needed; an intradepartmental
form, generally

E. REFERENCES FOR ADDITIONAL INFORMATION

Curtis, Bob. Food Service: Internal Control. Lebhar-Friedman Books,
New York, New York, 1975.

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIVITIES

I. CONTROL OF INTERNAL THEFT AND STRENGTHENING SECURITY
HAS REMAINED A RELATIVELY UNEXPLORED AREA OF FOOD-
SERVICE MANAGEMENT.

- A. Many managers and foodservice operators are reluctant to face the reality that their employees may be stealing from them because:
1. it is disturbing to think that thievery exists in your department;
 2. although they have heard of dishonest foodservice workers, they find it hard to believe that their loyal employees could possibly be guilty of such activities;
 3. many managers take it as a personal affront to themselves rather than recognizing it as a practice of disturbed or unhappy people.
- B. In a recent year, the U. S. Department of Commerce estimated that a total of \$16 billion (\$16,000,000,000) in business losses from reported employee thefts:

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LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
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LESSON CONTENT	CLASS ACTIV
1. this did not include losses from unreported thefts. 2. this did not include losses in government and non-profit facilities, such as schools. C. In restaurant foodservice operations, employee thefts have accounted for about 75% of noted inventory shortages. II. <u>BESIDES INCREASED COSTS TO THE FOODSERVICE OPERATOR, INTERNAL THEFTS RESULT IN OTHER COSTLY CONSEQUENCES.</u> A. The loss through firing of valued employees, caught stealing, whose training has cost a great deal in time. B. The costs to train new employees to replace those fired. C. Lowering of morale all over the foodservice department when suspicion is focused on an employee who had been considered honest and valuable.	

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
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LESSON CONTENT	CLASS ACTIVITIES
D. The contamination of other employees who may justify their own thefts by pointing out peers who are doing the same thing. E. Bad publicity which can damage the department's image among parent, student and administrative groups. III. <u>HIRING HONEST EMPLOYEES IS PROBABLY THE SINGLE MOST IMPORTANT SAFEGUARD FOR PREVENTING INTERNAL THEFT.</u> A. There are seven important character traits to watch for while interviewing a person being considered for employment. 1. These seven traits are: a. <u>POSITIVE ATTITUDE</u>: This means that the employee is assigned a task, he or she does it willingly and with enthusiasm. b. <u>ENTHUSIASM AND DRIVE</u>: This will give an employee the energy and outlook to do the job well.	List the seven traits on the board and ask participants to help you define each one. Ask them to give examples of each trait in a foodservice situation.

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT	CLASS ACTIV
c. <u>PERSISTENCE</u>: An individual with persistence will stick to a task until it is done, will be able to cope with the frustrations that come up in any job, and will complete whatever job he or she sets out to do. d. <u>MATURITY</u>: A person with maturity will probably also have a sense of responsibility and integrity. This means handling the pressures, disappointments and satisfactions of the job. e. <u>SKILL</u>: An employee who has developed skills or abilities for the particular kind of work or job in question is desirable. f. <u>TACT</u>: In most foodservice jobs, it is quite important that an employee have the ability to work and get along with others.	

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TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIVITIES

- g. INTEGRITY: The employee with integrity will have a sense of moral and personal pride in him- or herself, and in the work performed that will make him or her a trusted and respected employee.
- 2. In the long run, a person with these basic traits should prove honest and reliable.
- 3. Ask yourself: do you find these traits in your present employees?
- B. Always contact by telephone or in person an applicant's past employers.
 - 1. Inquire about the person's character, cooperativeness and level of production.
 - 2. Ask about his or her integrity and honesty.
- C. Review thoroughly the application of every person who applies for work in your department.

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIV

1. Look for gaps in employment by checking the dates worked at each prior job.
 2. If gaps exist, the person may have been fired from the job or may even have been in jail between jobs.
- D. During the actual interview, be leery of people who show subtle indications of deceit. For example, people who:
1. cough, stammer or hesitate before answering a question.
 2. have ready-made alibis for rationalizing unfavorable reports about themselves, have glib explanations for gaps in their employment records, or who talk too easily, too rapidly, or too smoothly.
 3. go into long and detailed descriptions about previous work experience and earnings, and

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT	CLASS ACTIVITIES
4. give evidence of living or dressing beyond their incomes. IV. <u>AMONG PRESENT EMPLOYEES THERE ARE TRAITS THAT MAY OFFER CLUES TO HELP YOU IDENTIFY THE HIGH RISK WORKERS CURRENTLY ON YOUR STAFF.</u> A. <u>GAMBLING</u>: A person who is a compulsive gambler loses money quickly and often needs extra money to support regular responsibilities and the gambling habit. 1. Such a person is more willing to take a chance and try to steal. 2. Studies show that compulsive gambling is the single most significant cause of employee theft. B. <u>SERIOUS DEBTS</u>: Employees being pressed by creditors are often tempted to steal. C. <u>HEAVY DRINKING</u>: Heavy drinkers usually have serious psychological problems and pressures. 1. They are frequently irresponsible in their work habits.	185

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LESSON CONTENT	CLASS ACTIVITY
2. Liquor clouds their judgment and makes stealing easier. 3. If they drink on the job, their decreased judgment and reaction time may present a serious safety problem for you also. D. <u>HEAVY BORROWING</u>: A person who frequently borrows large amounts of money is often driven to steal. 1. Such a person may borrow small amounts of money from fellow workers and then fail to repay them. 2. If you notice an employee is continually in debt and borrowing from others, keep a watchful eye on him or her. E. <u>OVERLY-EAGER-BEAVERING</u>: While conscientious employees are desired, overly-eager individuals who rush into work early and always leave late can sometimes be trying to create a hard-working, honest image to cover up their thefts.	

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIV

- F. TATTLE-TALING: When an employee frequently turns in dishonest workers, he or she may actually be covering over his or her own guilt by shifting the blame to others.
- G. LOUD BRAGGING: Braggarts often try to cover up feelings of inferiority by boasting about themselves.
1. Such persons may steal in order to live up to their boasts.
 2. It is sometimes wise to keep a watchful eye on such people.
- H. HOSTILITY OR CRITICISM: Like braggarts, people who are offensively hostile toward others or very critical of them are often trying to elevate themselves by downgrading others.
1. Such people may at times take their angry feelings out in theft.
 2. Keep a watchful eye on such individuals.

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LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIVITIES

- I. OVERLY ATTENTIVE EMPLOYEES: Overly-attentive employees who always volunteer to help out, begin work before scheduled and seem to enjoy straightening up the place may be a security risk.
1. Some of the greatest thieves in the food-service business have been great actors!
 2. They try to get on the good side of the manager or boss by doing favors and wanting to become socially friendly.
 3. Remember, a trusted person is the very one who can get away with stealing since he or she knows your work pattern.
 4. As managers, we keep a careful eye on the person we don't trust, but we sometimes want to see only the good qualities of the trusted person. Remember, an overly-attentive person may be stealing from you!

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
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LESSON CONTENT

CLASS ACTIVITY

J. LONG-TIME EMPLOYEES: According to insurance company statistics, thefts by long-term employees involve much larger amounts than thefts of newer employees.

1. Most long-time employees with a good work record are honest.
2. However, long-term employees are more likely to know what the managers or supervisors check or do not check, how the department systems and operations work, and what they can get away with undetected.
3. Such a worker's inside knowledge, plus the fact that most of his or her activities no longer arouse curiosity, make this long-term worker a potentially great thief.

V. SOME OF THE MOST FREQUENTLY USED THEFT TECHNIQUES ARE LISTED BELOW, SO YOU WILL BE IN A BETTER POSITION TO COPE WITH AND PREVENT THEM.

A. Food may be dropped into trash or laundry containers and picked up later by the same employee or by a "friend."

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TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT	CLASS ACTIVITY
B. Meats and canned foods may be dropped out of windows or pushed out of a seldom-used door, and be retrieved by a friend outside. C. Handbags, paper bags, pockets, and hats are all easy storage places for stolen goods. D. More complex pilferage systems may involve a receiving clerk working with a vendor or a vendor's driver. 1. The receiving clerk may sign an invoice for foods he keeps and resells later. 2. Also, the truck driver may only leave part of what you have ordered, but you are billed for the entire amount. The driver then sells the other foods later. VI. <u>THERE ARE OPERATIONAL CONTROLS A MANAGER/DIRECTOR CAN USE TO IDENTIFY AND CONTROL POSSIBLE THIEVERY IN A FOODSERVICE OPERATION.</u>	
A. Controls of the Supply Function	

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT

CLASS ACTIVITY

1. Watch for possible kickbacks between receiving clerks, drivers and vendors.
 - a. Check all invoices carefully to make sure you are only being billed for the foods you actually receive.
 - b. Check in foods yourself periodically on an unannounced basis.
 - c. Be sure receiving scales are easily available and are accurate so weights can be checked on foods received.
 - d. Also check invoices to make sure the prices are correct.
2. Keep the back doors locked.
 - a. No one should enter or exit your kitchen without your knowledge.
 - b. This is especially true for drivers who should be limited to the receiving area.

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT	CLASS ACTIVITY
B. Storing and Issuing Controls 1. Store and refrigerate all food promptly. Foods that sit around on carts are easy prey for a thief. 2. High cost items should be kept in a locked storage area and should be entered on a perpetual inventory record. 3. If possible, use a requisition system so that a written record is available to show where all foods have been used. C. Production and Inventory Controls 1. Frequent unannounced inventories are one way to discourage thievery. 2. Walk through the kitchen several times a day to help discourage potential thieves. An employee who thinks you might suddenly appear to make a surprise inspection is apt to think twice before trying to swipe an item.	

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LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
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LESSON CONTENT	CLASS ACTIVITY
D. Employee Policy Controls 1. Spot check all incoming and outgoing employee packages. a. Try to establish a "no packages in or out" policy. b. Remember, if an employee knows there is little chance of being caught, he or she is more likely to steal than if discovery is feared. 2. Designate and enforce only one employee entrance and exit which is <u>not</u> the receiving door. E. Other Controls 1. Keep a careful eye on locker rooms, if used by your employees. a. This area is definitely an easy place to hide items or to exchange items among employees for removal later.	

LESSON 7 : FOOD COST CONTROLS: INTERNAL SECURITY
TO CONTROL PILFERAGE AND THEFT

LESSON CONTENT	CLASS ACTIVITIES
b. Keep lighting levels in the locker room as bright as possible, because dimly-lit rooms encourage thievery. 2. Make sure all keys are accounted for and guard against situations that encourage duplication of keys. a. Keep complete records of all key distributions and to whom they are issued. b. Conduct periodic key inventories as a control measure. 3. Check the trash occasionally since this is a favorite place for sneaking items out of a kitchen for later pickup. VII. <u>REMEMBER THAT THE FEAR OF BEING CAUGHT IS A MAJOR DETERRENT TO THEFT.</u> A. If workers know you are checking and have specific control systems, they will be less likely to steal from you.	
	Distribute Handout #7-1 and review its contents together as a class. Ask

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LESSON CONTENT	CLASS ACTIVITY
B. Workers who are caught stealing should be immediately terminated. Material in this lesson was adapted from <u>Food Service Security: Internal Control</u>, by Bob Curtis.	participants from each school to discuss any security soft spots they can identify and provide a solution for eliminating the situation, if possible. Such discussions may be beneficial to other members of the class.



HANDOUT #7-1

IDENTIFYING SECURITY SOFT SPOTS-A SELF SURVEY

The following check list will help a manager/director identify areas in a foodservice operation which are doubtful as to security, and may indicate circumstances worthy of consideration and review. Using this check list, review your kitchen facility and department, and note areas or incidences where security measures are less than optimum. Be specific and give detail about how situation could be improved.

LAYOUT AND EQUIPMENT

1. Are doors to locker room areas easily visible by the manager/director?
2. Are employees' lockers covered with see-through but secure steel mesh doors?
3. Are locker rooms located close to an easy exit door?
4. When were door locks in the department last changed?
5. Is one door specified for employees to enter and exit the building?

Is it located near or at the receiving dock area or near trash containers where stolen goods might be hidden and later retrieved?

6. Can any of the major doors in the department be opened with a credit card?
7. Are skylights and roofs secure at all times?
8. Is trash collected near the receiving dock area?
9. Do trash, garbage sheds or dumpsters hide the view of entrance doors?

HANDOUT #7-1

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7. Are goods stored in a predesignated place immediately after being received?
8. Do unauthorized personnel such as trash disposal workers or truck drivers have access to storage areas or the kitchen?
9. Are locks checked periodically for proper operation?
10. Are padlocks used on storage areas and refrigerators kept locked on the hasp, or removed to a secure location where employees do not have easy access?
11. Is the trash or garbage inspected periodically by a trustworthy employee?
12. Is the soiled linen inspected periodically by a trustworthy employee?
13. Is a supervisor present when trash and linen pick-ups are made?
14. Are inventories spot-checked without notice?
15. When was the receiving dock scale last checked for accuracy?
16. Where does the receiving clerk park his or her car while on duty?

POLICIES AND PERSONNEL

1. Can every storage area key be accounted for?
2. Is a key inventory used and maintained? Is it current now? How often is key inventory taken?
3. Is there a security check of employee packages periodically?

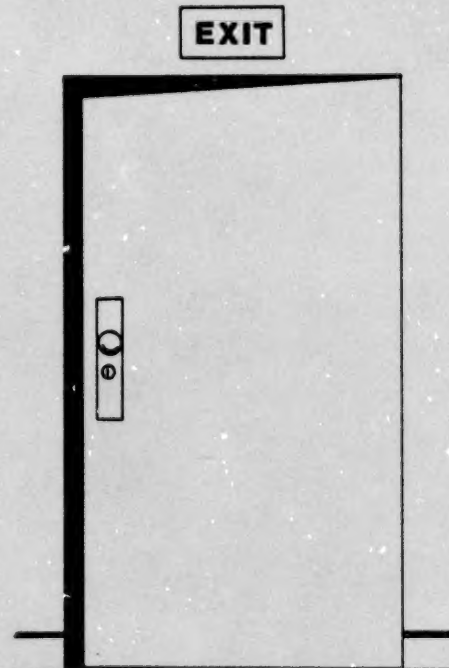
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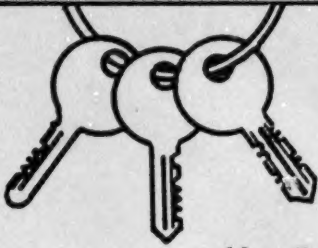
HANDOUT #7-1
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4. Is there a "no packages in or out" policy in effect at present?
5. Do hiring procedures practiced regularly include checking an applicant's past work record for at least 10 years?
6. Do supervisors and managers use the employee lockerroom regularly as a means of checking employee activity there?
7. Are telephone bills and telephone charges cross-checked?
8. Do drivers from vendors take goods directly into storage areas themselves?
9. Do closing procedures for the department include checking windows, doors, storerooms, locker rooms and washrooms for hiding personnel?

Note - Controls for handling cash will be discussed in Lesson 9 of this manual.



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HANDOUT #7-1
page 4

10. How many doors are there that lead into your foodservice department?

How many are locked at all times or are rigged with an alarm?

How many are never locked?

How many are designated as fire exits? How are they secured or locked?

11. Are there windows located in areas that give easy access to the kitchen or storage areas?
12. Are there windows located so that stolen goods can easily be thrown out of them for later pick-up? (Check storerooms, corridors and locker room.)
13. Are there dumbwaiters, elevators or pass-through refrigerators that would allow afterhour access to your kitchen?

MERCHANDISE HANDLING, INVENTORY AND RECEIVING

1. Are all inventories spot-checked by someone in authority on an unannounced basis?
2. Are expensive food items completely accounted for, documented in writing and securely stored in a locked area?
3. Are portion yields, and leftover food accounted for and recorded?
4. Is access to storerooms restricted to accountable persons? Who has keys to storage areas?
5. Is all incoming merchandise measured, weighed and/or counted?
6. Are invoices checked against original purchase orders?

LESSON 8 : PROGRESS TEST FOR LESSONS 5, 6 AND 7 ON COST CONTROL MANUAL

A. GOAL OF THIS LESSON

The goal of this lesson is to review the most important aspects of the past three lessons by administering the following Progress Test.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. summarize and review the important information presented in Lessons 5, 6 and 7;
2. emphasize the most important points presented in Lessons 5, 6 and 7;
3. identify subject areas in which participants desire or need further study and practice.

NOTE: The Progress Test should NOT scare or humiliate participants or be used as a device to keep them from continuing on with further lessons. There is no minimum score of success. This is an exercise or learning activity just as the other lessons have been.

C. INSTRUCTOR PREPARATION FOR CLASS PROGRESS TEST

1. The time allowed for this lesson is approximately 25 minutes.
2. Duplicate sufficient copies of Progress Test.

3. How the Progress Test should be given:

- a. Pass out copies of the Progress Test to each participant.
- b. Provide pens or pencils for those who may not have brought their own.
- c. Explain that the Progress Test is only a way to review the important information presented in the past three lessons.
- d. Briefly go through the test together to explain the different kinds of questions, to be sure that all participants know what they need to do for each question.
- e. Allow approximately 25 minutes for participants to complete the test.
- f. Allow participants to keep their own tests while answers are discussed.
- g. State aloud which answer(s) is correct for each question.
- h. Discuss how to change false statements so that they read "true."
- i. Lead a class discussion relating to reasons why other choices, if given, are incorrect. Ask participants to give examples of the application of each question to their school foodservice situations.
- j. Allow any participants who so desire to retake the test on their own time.
- k. Provide additional references on any topic to participants who desire further information.

PROGRESS TEST II FOR COST CONTROL

True or False

1. Portion costs of menu items have little effect on food costs.
 - a. True
 - b. False
2. Heavy gambling and drinking are fairly good indicators that a person is a high security risk.
 - a. True
 - b. False
3. A perpetual inventory is one taken every month.
 - a. True
 - b. False
4. Food inventory should only be done by the manager-director.
 - a. True
 - b. False
5. Ingredient rooms are only used to store foods used each day for production.
 - a. True
 - b. False

SELECT ALL THE CORRECT ANSWERS. THERE MAY BE MORE THAN ONE FOR EACH ANSWER.

6. To determine a portion cost for vegetable soup, a recipe
 - a. is required
 - b. is nice, but not necessary
 - c. yield is required
 - d. none of the above

PROGRESS TEST II/Page 2

7. Production schedules generally include:
 - a. amounts of foods leftover
 - b. amounts of food to prepare
 - c. portion costs
 - d. portion sizes
8. Food service managers are reluctant to admit stealing exists in their departments because
 - a. it is very disturbing to think that stealing exists in the department
 - b. they find it hard to believe their loyal employees would steal from them
 - c. they frequently take it as a personal affront to themselves
 - d. they know stealing could never happen in their department
9. Besides the cost of the goods stolen, the other costs of theft include:
 - a. bad publicity for the department among parent and teacher groups
 - b. costs to train new employees to replace those fired for stealing
 - c. lowering of morale throughout the department
 - d. all of the above.
10. Character traits deemed important for a good employee include:
 - a. high production and low errors
 - b. job skills and integrity
 - c. maturity and tact
 - d. positive attitude and enthusiasm
11. High security risk employees may demonstrate one or more of the following traits:
 - a. be overly attentive or an "eager beaver"
 - b. loud bragging
 - c. may tattle-tale on other employees
 - d. show hostility or criticize frequently

PROGRESS TEST II/Page 3

12. Operational controls used to control theft in a foodservice include
 - a. distribute keys for storage areas to all cooks
 - b. establishing a "no package" policy for employees
 - c. keeping drivers out of storage areas
 - d. taking unannounced inventories
13. Food specifications are
 - a. not to be sent to vendors or suppliers
 - b. used by receiving clerks
 - c. used only in very large school districts
 - d. written, detailed descriptions of food items
14. Food specifications may include
 - a. the container size
 - b. the count in each package
 - c. the grade of the food
 - d. all of the above
15. Identify the true statement(s) below:
 - a. Never weigh a case of canned or bottled food.
 - b. Receiving clerks are usually well-trained and supervised.
 - c. Receiving docks frequently have inadequate scales and other equipment
 - d. Weighing, counting and measuring are the most important activities of the receiving clerk.
16. Select the true statement(s) below:
 - a. the dry storeroom should be 50°F to 65°F.
 - b. use pallets or dunnage racks to store foods off the floor
 - c. use the "first-in, first out" system of food rotation
 - d. all of the above.

PROGRESS TEST II/Page 4

17. Select the true statement(s) below:

- a. foods to be frozen should be wrapped in air-tight packages and labeled with a date only
- b. store most used items near the door of the freezer
- c. store seafood and poultry at 23°F to 30°F
- d. all of the above.

ANSWER SHEET

PROGRESS TEST II ON COST CONTROL

1. *b(false)*
2. *a(true)*
3. *b(false)*
4. *b(false)*
5. *b(false)*
6. *b, c*
7. *a, b, d*
8. *a, b, c*
9. *d*
10. *b, c, d*
11. *a, b, c, d*
12. *b, c, d*
13. *b, d*
14. *d*
15. *b, d*
16. *d*
17. *b, c*

LESSON 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

A. GOAL OF THIS LESSON

The goal of this lesson is to understand the importance of internal security in controlling cash and non-food supplies in a foodservice department.

B. PURPOSE OF THIS LESSON

After completing this lesson the participants should be able to:

1. identify and describe the four duties usually performed by cashiers,
2. correctly make change for customers following standards presented,
3. identify the reasons cash register tape totals are important management control tools, and
4. describe how non-food supplies should be handled and controlled in a food-service operation.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate sufficient copies of all handout materials.
2. Locate a chalk board to use in the classroom.

D. KEY WORDS USED IN THIS LESSON

CASH-AT-POINT-OF-SALE: An exchange of cash between a customer and a cashier which occurs at the time the customer actually receives his or her goods or service.

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CHANGE FUND: Also called an opening bank; is a set amount of bills and change that a cashier uses to make change for customers.

DAILY DEPOSIT: The total amount of money taken in during a specific period, usually daily, which is then "deposited" or delivered to the bank or to a business office.

PHYSICAL INVENTORY: A procedure that includes counting, physically, all products on hand.

BID SYSTEM: A method of determining the best buy by asking various suppliers to "bid" or estimate the cost of specific goods or services for a given period of time, based on specific and detailed descriptions of the goods and/or services required.

E. REFERENCES FOR ADDITIONAL INFORMATION

Curtis, Bob. Food Service Security: Internal Control, 1975. Lebhar-Friedman Books, New York, NY.

Kelser, James and Elmer Kallio. Controlling and Analyzing Costs in Food Service Operations, 1974. John Wiley & Sons, Inc., New York, NY.

Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

CLASS ACTIVITIES

1. Cash management in Child Nutrition Programs may vary from advance meal or milk ticket sales to a total cash-at-point-of-sale system.

A. All cashiers generally perform or assist with four duties in handling foodservice monies.

1. A change fund or opening bank is prepared.

- a. Usually the fund remains constant, from meal period to meal period and from day to day.
- b. The bank should contain a set amount of bills and change.
- c. It should be locked in a secure place when not in use.
- d. If the bank is prepared by someone other than cashier, the cashier should always check it personally before using it.

2. To make change a cashier places the money from the customer on the register shelf or other close convenient location.

- a. Then repeat the amount of money owed, and the amount of money presented by the customer.

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Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

CLASS ACTIV

- 1) For example, say "\$1.48 out of \$2.00."
- 2) This procedure helps the cashier keep the transaction clearly in mind and allows the customer to again hear the amount due, to eliminate any disputes.
- b. Only after the customer accepts the change signifying approval of the transaction should the customer's money be placed in the cash drawer.
- c. Bills of over \$20 should be kept separate, perhaps under the change tray if possible.
3. There are three procedures to remember in making change.
 - a. First count up from the amount owed to the amount of money given by the customer. An example is given below.
 - 1) First repeat the amount due by saying "\$1.48 out of \$2.00."
 - 2) Give the customer two pennies and say "\$1.50."
 - 3) Give one quarter to the customer and say "\$1.75."

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Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

CLASS ACTIVITIES

- 4) Give the last quarter to the customer and say "\$2.00."
- b. Remember to give change in the largest denominations possible. For example, give 2 quarters rather than 5 dimes.
- c. Always place the change directly into the customer's hand, not on the counter or other adjacent area.
- 4. Some cashiers may help count the total money received for the day to assist in preparing the daily deposit.
 - a. Count the total amount of money.
 - b. Subtract the amount of the opening bank keeping it in the correct kinds of bills and change.
 - c. Turn in the remaining amount of money to the appropriate office or accounting department.
 - d. Check the amount of money taken in during a meal period and check it against the cash register tape or against the number of tickets used. This may be the cashier's job, or the manager/director's job.

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LESSON 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

CLASS ACTIVITIES

- B. In some foodservice operations the cash register now does nearly all the bookkeeping and much of the food cost record keeping.
1. Cash registers generally have these common elements.
 - a. A bell or buzzer signals each time the register is opened or used.
 - b. The amount of the sale is readily visible and is usually shown both on the front, and back or side of the machine.
 - c. A detailed printed tape is provided of all transactions.
 - d. Accumulated totals or sub-totals may be provided as a control and check system.
 2. Cash register totals are an important part of cash controls.
 - a. Cash register tape readings should be continuous; never reset the machine to zero.
 - b. Readings should be taken and reconciled with total cash amounts:
 - 1) After each meal period, or

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Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT	CLASS ACTIVITY
2) after each change of cashier within a meal period. c. An occasional spot check of readings should be made by the manager/director or other appropriate person. d. Each customer transaction should be recorded individually. Never allow more than one transaction to be recorded under one figure or entry on the tape of the cash register. 3. When the foodservice department is closed, cash drawers ought to be left open. a. If open, potential thieves can see the drawer is empty. b. If closed a thief may break open the drawer hoping to find money, and you will be left with a costly equipment repair bill. 4. A specific procedure should be established for cashing errors. a. Procedures for incorrect "ring-ups" should be established and understood by all cashiers.	213

Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

- b. Forms to complete, or other recording procedures to note cash shortages or surpluses should also be established.

Additional information on recommended cash procedures and ideas on controlling possible theft of cash by cashiers is available in the following references.

Controlling and Analyzing Costs in Food Service Operations by James Keiser and Elmer Kallio.

Food Service Security: Internal Control by Bob Curtis.

II. Non-food supplies are controlled in ways similar to food items.

- A. All cleaning supplies and paper goods should be kept in locked storage areas separate from food storage.
 - 1. Perpetual inventories may be used for these types of items.
 - 2. Physical inventories should be taken monthly, or more often if needed for ordering purposes.

CLASS ACTIVITY

Distribute Handout #9-1 and review the contents as a class. Divide class participants into groups of 3 or 4 each and ask them to identify areas in the department where security concerning cash could be improved. Share the results with entire class.

Lesson 9: CONTROLLING CASH AND NON-FOOD SUPPLIES

LESSON CONTENT

CLASS ACTIVITY

3. Keys for these storage areas should be strictly controlled.
 4. Open partial cases of paper and cleaning supplies should not be left out in the kitchen in unlocked drawers or under counters where cleaning personnel or other persons may take them after your department is closed.
- B. Buying cleaning supplies and paper goods based on a formal bid system usually provides you with a cost savings that justifies the additional time and effort required.

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HANDOUT #9-1

IDENTIFYING SECURITY SOFT SPOTS IN CASH CONTROLS
A SELF SURVEY

The following check list will help a manager/director identify areas in a foodservice operation which are doubtful as to security in handling cash. It may help to indicate circumstances worthy of review and consideration, and possible change. Using this check list, review your department and note areas or incidences where security measures regarding cash controls are less than optimum. Be specific and give detail about how situations could be improved.

1. There is a fixed department or district policy regarding individual responsibility in handling cash including cash shortages and surpluses.
2. Employees handling cash are properly bonded.
3. Unannounced cash counts are performed periodically by the manager/director or by persons other than those assigned to daily duties as a cashier.
4. Operating instructions and prescribed procedures for cashiers are available in writing, and all cashiers are asked to read and sign this document.
5. Subtotaling, clearing of registers and taking tape readings is being done according to written department or district regulations by someone other than a cashier.
6. Any transfers of cash are accompanied by a signed receipt.
7. No more cash is carried on-hand than actually needed.

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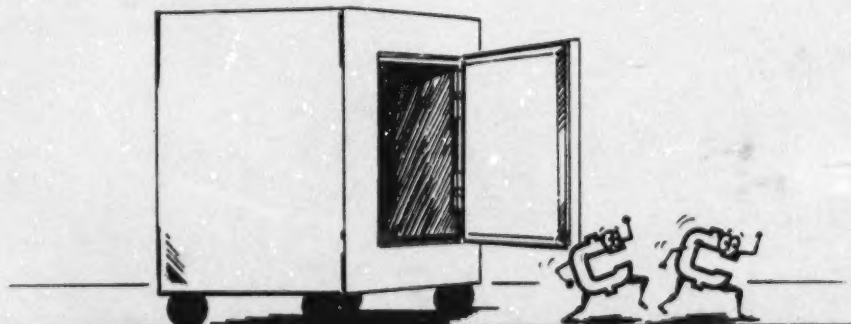
HANDOUT #9-1

Page 2

8. A record of cash shortages is maintained and used as a basis for possible investigation and disciplinary action.
9. Safes are opened only to get and receive cash and are promptly closed and locked.
10. During operating hours are all register drawers always closed except during an actual transaction?
11. Who audits petty cash vouchers if they are used in your department?
12. Are empty cash drawers left open during hours the department is closed?
13. How many people know that a particular person goes to make a cash deposit or delivery from your department every day or week at designated times?
14. Who audits the no-sales entries on the cash register tapes?
15. Does cash go to the back or to the business office regularly and promptly, or is it allowed to accumulate?

Adapted from Food Service Security: Internal Control
by Bob Curtis.

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

A. GOAL OF THIS LESSON

The goal of this lesson is to understand the importance of controlling energy, utilities and purchased services in an overall cost control program for Child Nutrition Programs.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. identify the two main controls for energy savings in foodservice situations;
2. list the steps needed to achieve energy savings;
3. identify the four areas in a foodservice that use the most energy;
4. evaluate their own facility with regard to periods of occupancy versus maintained indoor conditions;
5. identify six cost-saving ideas they can implement immediately in their own departments.

C. INSTRUCTOR PREPARATION FOR CLASS ACTIVITIES

1. Duplicate sufficient copies of all handout materials.
2. Locate a chalk board to use in the classroom.

D. KEY WORDS USED IN THIS LESSON

HVAC: an acronym that stands for Heating, Ventilating and Air Conditioning systems

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

PILOT LIGHT (electric): a small indicator light, usually red, that is installed on the outside of an area, such as a storeroom or refrigerator which is tied into the interior lighting system of that area. If the interior lights are left on, the pilot light outside signals a reminder to turn off the light switch before leaving the area.

E. REFERENCES FOR ADDITIONAL INFORMATION

Proaction Institute. Stop Throwing Away Energy Dollars. Available from the Michigan Restaurant Association, Southfield, Michigan. (\$25)

Stokes, John W. How to Manage a Restaurant or Institutional Food Service. Chapter 11. (see Lesson 5)

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIVITIES

I. ENERGY AND UTILITIES MANAGEMENT IS OF CONCERN TO SCHOOL DISTRICTS.

- A. The cost of energy is increasing and will probably continue to do so.
1. To realize energy cost savings for your school, you must concentrate on the control of time and temperature in your kitchen and related areas.
 - a. Controlling temperature of your kitchen and its equipment based on the time you are actually working and using it is very important.
 - b. Operating cooking and sanitation equipment only at the time you need it, at the temperature you really need it, is important for energy control.
 2. Savings possible by following the suggestions given in this lesson:

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT	CLASS ACTIVITIES
a. An initial savings of 15% is very realistic through simple alteration of procedural operations that require little or no money investment. b. Another 15% savings is very probable if some investment of money is possible. B. Steps to achieving energy savings: 1. Get top administrators in your district to make a commitment to savings energy district-wide. 2. Organize your employees to make a commitment with you to saving energy. 3. Conduct an energy survey in your facility using the forms provided in the handouts of this lesson. 4. Set specific objectives for saving energy based on the results of your survey.	

LESSON 1C : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIV

5. Implement the energy saving procedures identified in these objectives.
6. Keep records so that you can measure the results of your energy-savings procedures.
7. Find additional details on energy-saving steps in such references as Stop Throwing Away Energy Dollars, available from the Michigan Restaurant Association.

II. ENERGY IS USED IN FOUR MAJOR CATEGORIES IN MOST FOOD-SERVICE OPERATIONS.

A. Energy is used to:

1. Heat, Ventilate and Air Condition the building (called the HVAC systems)
2. prepare and store food
3. light the building and surroundings
4. heat water for sanitation purposes

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT	CLASS ACTIVITIES
B. The diagram on Handout #10-1 shows the percent of energy each of these areas uses in two kinds of foodservice operations. 1. Note that the HVAC system and the food preparation and storage usages are the largest. 2. These two areas in your department are the major sources of energy savings.	Distribute Handout #10-1 and review it together as a class.
III. <u>THE SYSTEM USED TO HEAT, VENTILATE AND AIR CONDITION YOUR BUILDING, THE HVAC SYSTEM, MAY BE TAKEN CARE OF COMPLETELY BY YOUR DISTRICT'S MAINTENANCE DEPARTMENT, BUT YOU SHOULD HAVE A BASIC UNDERSTANDING OF ITS ENERGY DEMANDS AND HOW YOU MAY BE ABLE TO REDUCE COSTS IN THIS AREA.</u>	
A. The first principle of energy conservation in the HVAC system is to <u>operate the system only when needed.</u> 1. Make sure you are not heating or cooling areas when no one is in the room. For example, if your dining area is not used until 10:30 in the morning, it need not be heated in the cooler months at 7 or 7:30 a.m. like the classrooms or the kitchen.	Using Handout #10-2 review the chart presented that will help a manager/director identify areas in their departments that

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIVITIES

2. Make sure you are not using more heating or cooling units than needed. It is more efficient to use one boiler at full capacity than two boilers at 50% capacity.
3. Check your pipes and/or ducts to make sure they are insulated and are not leaking energy. Touching the pipes and ducts in your kitchen is an easy way to check this.
4. Minimize the amount of outdoor air brought into your building.
 - a. Turn off ventilating systems in rooms not being used, such as the dining area after the meal is over.
 - b. Turn off the hood exhaust fans when they are not needed and all cooking is completed.
 - c. Keep windows and outside doors closed, seal cracks around windows and doors, and caulk cracks in the building walls and ceilings.

are being heated or cooled when no one is working or using an area. Encourage participants to take this form back to their schools and complete it.

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT	CLASS ACTIVITIES
B. The second principle of energy conservation in the HVAC system is to <u>maintain the system at peak efficiency</u>. 1. An inefficiently functioning boiler or air conditioning unit wastes energy. 2. All mechanical systems in your building should be periodically checked to maintain peak efficiency. 3. Your maintenance man should make sure your equipment is being efficiently maintained and operated. IV. <u>THE FOOD PREPARATION AND STORAGE AREAS IN A FOODSERVICE CONSUME A GREAT AMOUNT OF ENERGY AS WAS SHOWN IN THE DIAGRAM ON HANDOUT #10-1.</u> A. <u>Time and Temperature</u> are the two basic control factors. 1. Control the time equipment is operating. a. Keep all cooking equipment OFF as long as possible.	225

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTI

- b. Set up a schedule of preheating times for all kitchen equipment and stick to it.
 - (1) A 15 minute preheat period is sufficient for most equipment.
 - (2) Consult the manufacturer's instructions for specific preheat instructions or experiment yourself to determine the minimum amount of time required for your equipment.
 - (3) Use the second fryer or oven only for peak hours of preparation. Develop a schedule showing the hours that the second units are required.
- 2. Control the operating temperature of equipment.
 - a. Set thermostats to the lowest temperature that still gives satisfactory results. For example, consider roasting all meats at 275°F or 300°F.

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT	CLASS ACTIVITY
b. Do not dial thermostats higher; it does not reduce preheating time. (1) Lower thermostat temperatures result in lower energy consumption. (2) Less energy will be lost to the surrounding air. B. Employee education and motivation are important in achieving and maintaining energy savings. 1. Cooks are the main people responsible for carrying out the operating procedures outlined above. They turn equipment on and off as part of their daily job duties. 2. Make employees feel they are an active part of the success of your energy savings program. Make them feel it is important. V. <u>LIGHTING COSTS CAN BE REDUCED SUBSTANTIALLY WITH LITTLE, IF ANY, INVESTMENT.</u> A. Lighting costs are a relatively small percentage (8 to 10%) of a foodservice facility's total energy bill.	Distribute Handout #10-3 and discuss in small groups how each individual kitchen can improve their controls on energy usage in the preparation and storage areas. Ask each participant to identify 6 things they could do tomorrow in their kitchens that would save energy. Note to Instructor: Try to divide participants into groups of 4 or 5 without having 2 people from the same school in the same group. Also, suggest that participants use this handout as a base for an energy survey in their own kitchens. Other cost-saving measures may be identified as the result of a more thorough review on-site in the department.

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIV

- B. Lighting conservation offers immediate energy and dollar savings.
- C. Suggestions for saving lighting energy:
 - 1. Turn off lights when they are not needed, especially in storerooms, rest rooms and refrigerator walk-ins.
 - 2. Reduce light levels where appropriate by using smaller watt bulbs or turning off every other light.
 - a. Reduce light in dining areas in Child Nutrition Programs.
 - b. Fancy restaurants charge high menu prices to provide dimly-lit dining areas, but brightly lighted areas are generally found in school lunch programs.
 - c. Lower lighting levels have also been known to decrease noise levels since people tend to talk more softly in dimmer light.

LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIV

3. Use fluorescent lamps whenever practical, and keep all light fixtures clean.

VI. ENERGY CAN BE SAVED IN WATER HEATING AND DISHWASHING EVEN WHILE MAINTAINING THE HIGH STANDARDS REQUIRED FOR SANITATION.

- A. Use hot water only when necessary.
 1. If possible, limit general use water in the kitchen to 105°F.
 2. Only use 140°F water for dishwashing, and 180°F water for rinsing.
- B. In pot washing areas, fill the sinks for washing and rinsing utensils instead of using continuously running water from the faucet.
- C. Use hot tap water for cooking whenever possible because a water heater uses less energy than a range-top to heat the same amount of water.
- D. Consider a chemical solution for sanitation in lieu of 180°F water in pot washing and dishwashing.

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTI

- E. Keep water heaters, storage tanks and water distribution systems well-maintained.

Note: Information in the past six sections was adapted from the manual Stop Throwing Away Energy Dollars, which was written by Pro-action Institute through sponsorship by the Michigan Restaurant Association.

VII. PURCHASED SERVICES SUCH AS PEST CONTROL, REFRIGERATION MAINTENANCE, SEWER CLEANING, AND PERHAPS TRASH COLLECTION MAY BE A COSTLY PART OF YOUR DEPARTMENT'S BUDGET.

- A. Contract through use of a bid process as is done with some food items.
1. Using a bid procedure has brought improved service to operators and reduced costs in most cases.
 2. This procedure requires a written detailed description of the services to be provided.

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIV

3. This description can then be sent to possible suppliers and companies capable of providing the desired services.
 4. Each company may "bid" on your business and submit a price they would charge to provide you with the services described.
 5. Bids can be reviewed by the business manager or manager/director and a decision made as to which company will provide the quality of service desired at the best price.
- B. Check periodically to make sure the services agreed to in the signed contract are being provided.
- C. If you now contract with a laundry to wash certain items for you, you may find that installing domestic laundry equipment on premises will bring you considerable savings.
1. This would be very easy if you only needed to wash towels, rags, pot holders, and aprons.

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LESSON 10 : CONTROLLING ENERGY, UTILITIES AND PURCHASED SERVICES

LESSON CONTENT

CLASS ACTIVITIES

2. If uniforms or smocks are permanent press, they can also be washed and dried easily.

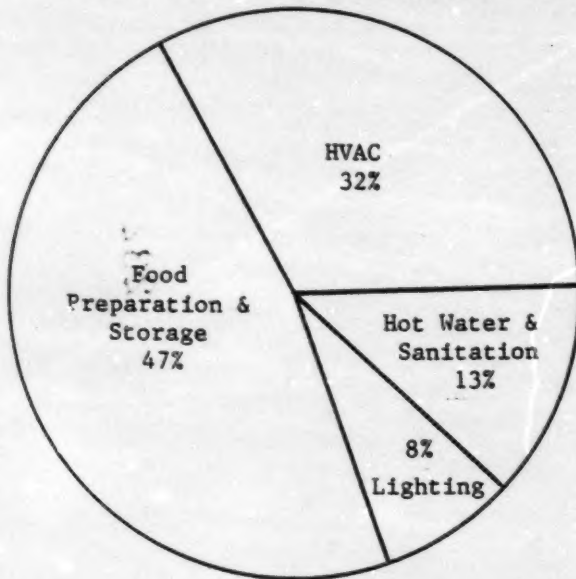
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HANDOUT #10-1

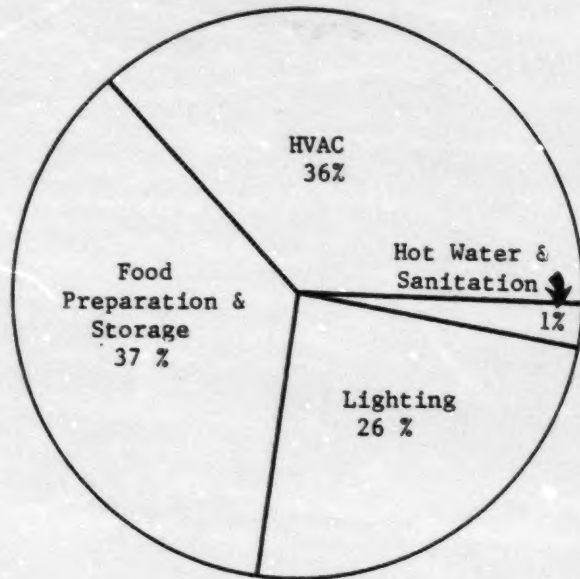
ENERGY USAGE IN TWO TYPES OF FOODSERVICE OPERATIONS

The National Restaurant Association has found that restaurants use energy in these four areas in the proportions shown below.

Table Service Restaurants



Fast Food Restaurants



As you can see, the Heating, Ventilating, and Air Conditioning System (HVAC) and Food Preparation Operations are the major energy users, and therefore, the major source of savings.

HANDOUT #10-2

Chart to Compare Period of Occupancy Vs Maintained Indoor Conditions

Use the chart below to record the times various areas in your department are occupied. Then record the temperatures that are presently maintained in each area during the times that it is occupied or unoccupied. Then indicate in the last columns whether ventilating fans are on during the times areas are either occupied or empty. Hopefully, this will show where temperatures can be decreased and fans can be turned off during certain hours during the day when areas are not being used. Discuss the results of this chart with your maintenance department and ask for their help in making any changes you feel would help reduce energy usage.

Area	Time Occupied	Maintained Temp. (F)		Is Ventilation Provided?	
		Occupied sum/wint	Unoccupied sum/wint	Occupied sum/wint	Unoccupied sum/wint
Your Office	M-F				
	S-S				
	Other				
Food Prep Kitchen	M-F				
	S-S				
	Other				
Dining Area	M-F				
	S-S				
	Other				
Storage Areas	M-F				
	S-S				
	Other				
Other	M-F				
	S-S				
	Other				
	M-F				
	S-S				
	Other				

HANDOUT #10-3

ENERGY SAVINGS IDEAS FOR QUANTITY FOOD PREPARATION

GENERAL

1. Set up schedules for preheating times for kitchen equipment and stick to it.
2. Keep all cooking equipment off as long as possible.

SURFACE COOKING UNITS (RANGES)

1. Place foil under range and griddle burners to improve the operating efficiency of the equipment and make clean-up easier.
2. Cover pots and pans with lids while heating to keep the heated air in the pot and decrease cooking time.
3. On gas ranges, adjust the cooking flame to just cover the cooking pot.
4. Use pots or pans on a range that are one inch larger than the cooking element.
5. Place kettles and pots together on the range top to decrease heat loss.
6. Regularly check all gas units for uneven or yellow flames.
7. Keep all cooking surfaces clean since build-up of grease and other incrustated matter reduces cooking efficiency.
8. Do not turn gas burners on until you are ready to cook.

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HANDOUT #10-3

Page 2

9. If you must keep electric burners or hot tops on for short periods when they are not actually in use, reduce the temperature until you are ready to cook.
10. Use flat bottom pots and pans to maximize heat transfer.

GRIDDLES (GRILLS)

1. Use a low or medium flame for light griddling.
2. Turn the heat down during slack periods.
3. Place food being cooked close together and heat only that portion of the grill being cooked on.
4. Scrape off excessive food and fat particles after each cooking use.
5. At least daily, when in use, clean and wipe out the grease troughs and remove any stuck-on food.
6. Regularly use a reliable commercial thermometer to check surface temperature against the control dial reading. If the readings do not match, recalibrate the thermostat.

OVENS

1. Use warm-up time to begin cooking food when possible.
2. When preheating ovens, set the thermostat at the desired temperature; it will not preheat faster and will waste energy if you dial higher.
3. Stagger preheating of oven sections. Use a minimum of other electrical appliances while preheating the ovens.

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HANDOUT #10-3

Page 3

4. Plan baking and roasting to use ovens to capacity to eliminate bringing the oven to full heat more than once or twice a day. Energy is wasted when all of the available cooking heat is not used. In standard ovens allow at least a 2 inch clearance for air to circulate around pans.
5. Schedule oven to be used continuously. To fill time gaps, cook some products in the oven you don't do normally, like rice or reheating sauces or gravy.
6. Cook meat slowly at lower temperatures. Cooking a roast for 5 hours at 250°F should save about 25 to 50% of the energy that would be used in cooking for 3 hours at 350°F.
7. Do not cover meat with foil since it increases cooking times.
8. Load and unload the oven quickly to avoid unnecessary heat loss. Avoid opening the doors to look at food during baking or roasting.
9. Remove boiled over and spilled foods promptly in the oven to avoid build-up of carbon deposits which can adversely affect the efficiency of the unit.
10. Repair broken door hinges and cracks that allow heat to escape.
11. Clean all crumbs and encrusted matter from around the door opening. Don't slam or stand on oven doors.
12. Every few months have qualified service person calibrate the oven thermostat.

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HANDOUT #10-3

Page 4

13. Once or twice a year check the level of ovens.

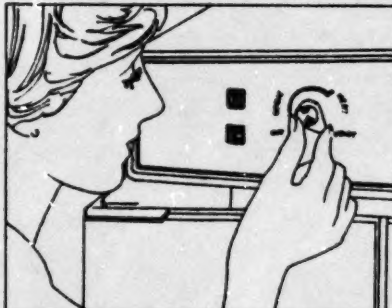
CONVECTION OVENS

1. Forced-air convection ovens preheat much more quickly than conventional and standard deck ovens.
2. Follow the manufacturer's instructions for cleaning the oven fan blades. The accumulation of foreign material can restrict the amount of air delivered and will waste energy.
3. Have the motor checked annually to maintain peak efficiency.

FRYERS (DEEP FRYERS)

1. Turn thermostat up only as high as required to reach frying temperatures. Preheat time from room temperature to 350°F is only about 5 minutes for most fryers.
2. Check the temperature of cooking oil often to be certain heating elements and thermostat controls are working correctly.
3. Do not load the fryer baskets beyond the manufacturer's stated capacity. Normally, baskets are loaded to one-half to two-thirds capacity. Crowded food takes longer to cook and wastes energy.
4. Check cooking oil levels frequently. Food must be covered with oil to cook correctly. Add fresh oil if level drops below mark on the side of the well.

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HANDOUT #10-3

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5. Clean fryers regularly.

Clean fryers perform better and use less energy. Be sure cleaning procedures are carried out as recommended by manufacturers.

6. Regularly inspect and clean interiors of fixed-well fryers for grease or carbon deposits.

If unfamiliar with how to identify this condition, ask your fat or shortening salesperson or vendor for assistance.

7. Clean heating elements at least weekly.

Do this daily if you do high-volume frying. Remove all traces of burned food, grease, or carbon.

8. Consider a method of insulating the fry kettles. Military facilities have cut cooking time by 25% by an application of exterior insulation to fryers.

STEAM COOKERS AND STEAM TABLES

1. Where possible, begin cooking food in a steamer and then finish it as necessary in the desired manner.

Steam is a very efficient method of cooking food and thus saves energy as compared to other heat sources. Fried chicken works well this way.

2. When practical, consider using steam cookers for such items as vegetables, rice and pasta to speed up cooking time.

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3. If a food product must be "force thawed" do it in a pressure steamer where racks of frozen foods may be thawed in volume.
4. Fill steamers according to manufacturer's recommendations and to capacity if possible.

The amount of steam used is almost the same whether cooking a small or large amount of food.

5. Maintain the temperature control on steam tables at a level that will keep food warm without allowing clouds of steam to escape.

Clouds of steam indicate unnecessarily high temperatures which waste energy.

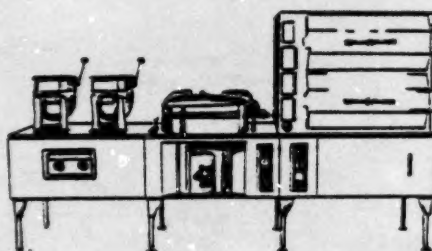
6. Repair all steam leaks no matter how small.
7. Check steam traps for steam leakage.

Steam passing through a trap indicates a defective trap that should be repaired or replaced. When steam, instead of liquid condensate, passes through a trap, significant energy is wasted.

8. Make sure all steam lines are well insulated with no damages to the insulation.

Uninsulated steam lines waste energy and require additional steam to accomplish the cooking desired. This condition also adds unwanted heat to the kitchen area and may result in a need for more cooling and ventilation that would otherwise be necessary.

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HANDOUT #10-3

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9. Keep steam equipment and door seals free of debris to prevent steam leakage and energy waste.

REFRIGERATORS AND FREEZERS

1. Thaw frozen food in the refrigerator.

As foods thaw, the surrounding air is cooled, and the energy used by the refrigerator will be reduced.

2. Allow hot foods a few minutes to cool before placing it in the refrigerator or freezer.

Air cooling reduces the amount of work the refrigerator or freezer must do.

3. Do not store foods in front of the cooling coils in a manner that restricts air flow.

4. Consolidate foods stored in refrigerators and freezers where possible.

Full refrigerators and freezers use energy more efficiently than partially full units.

When possible, empty units through consolidation of foods and turn them off, especially over vacation periods.

5. Do not jam food items against closing doors.

This can cause damage to door gaskets and cause air leaks, thus wasting energy.

6. Do not store anything within 4 feet of the compressor.

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HANDOUT #10-3

Page 8

It needs free space to remove the heat from the unit most efficiently.

7. Set up procedures to reduce the frequency and length of time refrigerator and freezer doors are opened.

Frequent and lengthy openings are extremely wasteful of energy. Plan ahead to take out or replace several items at one time. Clearly label stored items so they can be located quickly.

8. Turn off lights in walk-ins when leaving.

Unneeded lights waste energy and also add heat to the unit which wastes cooling energy.

9. Equip walk-ins with a pilot light on the outside so you can easily see whether lights have been left on inside.

10. Schedule fan and condenser cleaning and compressor check-ups as a regular maintenance item.

Clean fans and condensers and properly working compressors are more energy efficient.

11. Keep blower coil free of ice build-up and dust.

Such conditions cause units to operate longer and waste energy.

12. Keep thermometers properly calibrated to insure that the desired temperature is maintained.

If refrigerators or freezers are set at a temperature lower than needed, energy is being wasted.

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HANDOUT #10-3

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13. Feel the outside walls of refrigerators or freezers for cold spots.

A cold spot indicates that the insulation has shifted or is waterlogged. Contact the manufacturer if you find this problem. Improper insulation wastes energy.

14. Keep all door gaskets and seals in good condition.

A piece of paper inserted between the gasket and door frame should resist withdrawal when the door is closed. Make this test around all sides of the door, including the hinge side. Damaged gaskets permit air leakage and waste energy.

15. Schedule food deliveries, where possible, to avoid overloading refrigeration units, or under-capacity utilization.

Be sure foods requiring freezer or refrigerator storage are promptly placed in storage. Recooling such foods wastes energy.

Energy saving tips such as those above are also available for HVAC systems, lighting systems and hot water supply systems in the reference noted immediately below.

Material in this handout was adapted from the manual Stop Throwing Away Energy Dollars available from the Michigan Restaurant Association.

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LESSON 11 : PROGRESS TEST FOR LESSONS 9 AND 10 OF COST CONTROL MANUAL

A. GOAL OF THIS LESSON

The goal of this lesson is to review the most important aspects of the past two lessons, by administering the following Progress Test.

B. PURPOSE OF THIS LESSON

After completing this lesson, the participants should be able to:

1. summarize and review the important information presented in Lessons 9 and 10;
2. emphasize the most important points presented in Lessons 9 and 10;
3. identify subject areas in which participants desire or need further study and practice.

Note: The Progress Test should NOT scare or humiliate participants nor be used as a device to keep them from continuing on with further lessons. There is no minimum score of success. This is an exercise or learning activity just as the other lessons have been.

C. INSTRUCTOR PREPARATION FOR CLASS PROGRESS TEST

1. The time allowed for this lesson is approximately 25 minutes.
2. Duplicate sufficient copies of Progress Test.
3. How the Progress Test should be given:
 - a. Pass out copies of the Progress Test to each participant.

LESSON 11 : PROGRESS TEST FOR LESSONS 9 AND 10 OF COST CONTROL MANUAL

- b. Provide pens or pencils for those who may not have brought their own.
- c. Explain that the reason for this Progress Test is to review the important information presented in the past three lessons.
- d. Briefly go through the test together to explain the different kinds of questions to be sure that all participants know what they need to do for each question.
- e. Allow approximately 25 minutes for participants to complete the test.
- f. Allow participants to keep their own tests while answers are discussed.
- g. State aloud which answer(s) are correct for each question.
- h. Discuss how to change false statements so that they read "true."
- i. Lead a class discussion relating to reasons why other choices, if given, are incorrect. Ask participants to give examples of the application of each question to their school foodservice situation.
- j. Allow any participants who so desire to retake the test on their own time.
- k. Provide additional references on any topic to participants who desire further information.

PROGRESS TEST OF COST CONTROL MANUAL

Covers Lessons 9 and 10

Select all of the correct answers in the questions below.
There may be more than one correct answer to each question.

1. A cashier is frequently involved in which of the following duties.
 - a. determining portion costs
 - b. establishing selling prices
 - c. making change for customers
 - d. preparing an opening change bank
2. Identify the true statements below.
 - a. Before making change, put the money from the customer in the cash drawer.
 - b. Give change in the smallest denominations possible to simplify the cashier's job.
 - c. Place the customer's change on the counter beside the cash drawer so the customer can easily pick it up.
 - d. State clearly to the customer the amount due out of the amount given to eliminate disputes later.
3. All cash registers today usually
 - a. accumulated totals are provided.
 - b. a printed tape is provided of all transactions
 - c. have a bell or sound that signals each time the register is opened or used.
 - d. the amount of the sale is shown visibly on the machine.
4. It is an accurate practice to "ring up" two transactions together by totaling the amount of each sale and entering it once on the cash register.
 - a. True
 - b. False
5. Leaving empty cash drawers open overnight is generally recommended.
 - a. True
 - b. False

Progress Test/Page 2

6. Identify the true statements about non-food supplies.
 - a. Partial, open cases of paper goods or cleaning supplies should be stored under counters in the kitchen.
 - b. Perpetual inventories may be used for control of these supplies.
 - c. Physical inventories need not be taken of these items.
 - d. Storage areas for these items need only be locked at night.
7. The two things that affect energy usage most in a foodservice operation are
 - a. the amount of time energy is used.
 - b. the cost of energy used.
 - c. the overall size of the kitchen.
 - d. the temperature settings used.
8. There is little need to get backing from your employees or administrators for an energy conservation program; you can do most of it yourself.
 - a. True
 - b. False
9. In a foodservice department, the most energy is used for lighting and sanitation purposes.
 - a. True
 - b. False
10. To save the most money in your heating and ventilating systems, operate them only when really needed.
 - a. True
 - b. False
11. Most equipment used today in a foodservice will preheat in about 15 minutes.
 - a. True
 - b. False
12. Dialing a thermostat higher than needed during the preheating period speeds up the preheating process.
 - a. True
 - b. False

Progress Test/Page 3

13. A water heater takes less energy than a range-top to heat the same amount of water, so use hot tap water for cooking whenever possible.
- a. True b. False
14. Purchased services should be negotiated on a bid basis for maximum cost effectiveness and best service.
- a. True b. False

ANSWER SHEET FOR INSTRUCTOR FOR PROGRESS TEST

Covers Lessons 9 and 10

1. *c, d*
2. *d*
3. *a, b, c, d*
4. *b*
5. *a*
6. *b*
7. *a, d*
8. *b*
9. *b*
10. *a*
11. *a*
12. *b*
13. *a*
14. *a*

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(517) 373-3347

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QUARTERLY REPORT FOR SCHOOL LUNCH, BREAKFAST, AND SPECIAL MILK

COMPLETE ONLY IF LABEL IS MISSING OR INCORRECT

LEGAL NAME OF DISTRICT LEARNING - IS - FUN PUBLIC
ADDRESS OF SCHOOL DISTRICT 1234 ALPHABET LANE
CITY AND ZIP CODE BOOKCITY, MI 444444

LABEL

MAILING INSTRUCTIONS: 1. PUBLIC & NONPUBLIC SCHOOLS: Return ONE copy to the STATE address indicated above.
Return ONE copy to Intermediate School District Office.
2. INSTITUTIONS: Return ONE copy to the STATE address indicated above.

"X"
Period
Covered

☐ July through September	Report due October 25
☐ October through December	Report due January 25
☐ January through March	Report due April 25
☒ April through June	Report due July 25

REVIEW THE INSTRUCTIONS BEFORE COMPLETING FORM.

☐ Check if this is an amended or corrected report.

A. REVENUES AND BEGINNING BALANCES

This Quarter Total

1. Beginning Balance (previous closing balance)	\$	(10,477)
2. Type "A"	\$	30,937
3. Special Milk	\$	4,621
4. Breakfast	\$	118
5. A-La-Carte	\$	13,416
6. Other	\$	42,44
7. Federal Aid	\$	37,794
8. State Aid	\$	1,381
9. Cash in Lieu of Commodities	\$	=
10. General Fund-Incoming Transfer	\$	=
11. General Fund-Advance	\$	=
12. Miscellaneous	\$	=
13. Total (Sum of Lines 2 through 12)	\$	98,911
14. Total Funds Available (Line 1 plus Line 13)	\$	88,433
15. Expenses Incurred (Page 2, Line E, Column 1)	\$	101,903
16. Fund Modifications	\$	=
17. Capital Outlay	\$	=
18. Closing Balance (Line 14 minus Line 15, 16 and 17)	\$	(13,471)

B. TYPE "A" LUNCH COST COMPUTATION

This Quarter

Year to Date

1. Total Type "A" Expenses (Page 2, Column 4, Line H)	\$	107,507	\$	348,963
2. Total Type "A" Lunches Served to Students		70,399		269,858
3. Type "A" per Lunch Cost (Line 1 divided by Line 2)	\$	1.53	\$	1.29

C. BREAKFAST MEAL COST COMPUTATION

This Quarter

Year to Date

1. Total Breakfast Expenses (Page 2, Column 6, Line H)	\$	13,007	\$	27,027
2. Total Reimbursable Breakfasts Served to Students		14,390		28,839
3. Per Breakfast Cost (Line 1 divided by Line 2)	\$	.90	\$	.94

CERTIFICATION: I certify that the information submitted on this report is true and correct to the best of my knowledge.

Date 7/12/83 Superintendent or Authorized Official Mrs. Becky Hombeck, F.S.D. (Signature)
Contact Person same as above 252 Telephone (517) 373-334
Area Code/Local No.

E. BREAKDOWN OF EXPENSES INCURRED FOR THIS QUARTER (Round to nearest dollar.)

SS-4012-A (Page 2)

	Direct Billed School Service Fund	Direct Unbilled General Fund	Total Costs	Type "A"	Special Milk Program	School Breakfast	A-La-Carte	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. SALARIES DIRECTLY INVOLVED WITH FOOD SERVICES								
1. Administration (Director, Supervisor)	10,302		10,302	7,727		1,418	927	230
2. Operation and Service	38,713		38,713	27,724		4,804	3327	2858
3. Overtime Operation and Service								
4. All Other Salaries		23,094	23,094	15,382	2585	2,666	1846	615
5. Total Salaries	49,015	23,094	72,109	50,833	2585	8888	6100	3703
B. EMPLOYEE BENEFITS								
6. Bargained for Benefits (insurance)	607	5,947	6,554					
7. Mandatory Coverage		3,909	3,909					
8. Total Employee Benefits	607	9,856	10,463	7324	419	1256	941	523
C. CONTRACTED SERVICES (not utilities)								
2,265			2,265	1586		275	340	64
D. SUPPLIES AND MATERIALS USED								
9. Food (Resale)	29,315		29,315	25,211		586	2,932	586
10. Milk (Resale)	15,189		15,189	7442	6835	304		608
11. Transportation Supplies	366	250	616	530		12	62	12
12. Other Supplies & Materials (include small equipment)	5,146		5,146	4484	35	90	447	90
13. Total Supplies and Materials Used (Sum of Lines 9-12)	50,016	250	50,266					
E. TOTAL DIRECT COST (Sum of Lines 5, 8, C, 9, 10, 11 & 12)	101,903	33,200	135,103	97,410	9874	11,411	10,822	5,586
14. Total Excluding Food and Milk (Line E minus Lines 9 & 10)	57,399	33,200	90,599	64,757	3039	10,521	7890	4392
F. INDIRECT COSTS (See instructions) (Rate times Line 14)	8,610	4980	13,590	9714	454	1579	1184	659
G. DEPRECIATION								
15. Equipment and Furniture	235		235	183	9	17	21	5
16. Vehicles								
17. Total Depreciation	235		235	183	9	17	21	5
H. TOTAL COSTS FOR ALLOCATION (Sum of Lines E, F & 17)	110,748	38,180	148,928	107,307	10,337	13,007	12,023	6,250

Agreement Number

QUARTERLY REPORT FOR SCHOOL LUNCH, BREAKFAST, AND SPECIAL MILK

COMPLETE ONLY IF LABEL IS MISSING OR INCORRECT

LEGAL NAME OF DISTRICT
ADDRESS OF SCHOOL DISTRICT
CITY AND ZIP CODE

LABEL

MAILING INSTRUCTIONS: 1. PUBLIC & NONPUBLIC SCHOOLS: Return ONE copy to the STATE address indicated above.
Return ONE copy to Intermediate School District Office.
2. INSTITUTIONS: Return ONE copy to the STATE address indicated above.

"X" Period Covered	☐	July through September	Report due October 25
	☐	October through December	Report due January 25
	☐	January through March	Report due April 25
	☐	April through June	Report due July 25

REVIEW THE INSTRUCTIONS BEFORE COMPLETING FORM.

☐ Check if this is an amended or corrected report.

A. REVENUES AND BEGINNING BALANCES

This Quarter Total

1. Beginning Balance (previous closing balance)	\$
2. Type "A"	\$
3. Special Milk	\$
4. Breakfast	\$
5. A-La-Carte	\$
6. Other	\$
7. Federal Aid	\$
8. State Aid	\$
9. Cash in Lieu of Commodities	\$
10. General Fund-Incoming Transfer	\$
11. General Fund-Advance	\$
12. Miscellaneous	\$
13. Total (Sum of Lines 2 through 12)	\$
14. Total Funds Available (Line 1 plus Line 13)	\$
15. Expenses Incurred (Page 2, Line E, Column 1)	\$
16. Fund Modifications	\$
17. Capital Outlay	\$
18. Closing Balance (Line 14 minus Line 15, 16 and 17)	\$

B. TYPE "A" LUNCH COST COMPUTATION

This Quarter

Year to Date

1. Total Type "A" Expenses (Page 2, Column 4, Line H)	\$	\$
2. Total Type "A" Lunches Served to Students		
3. Type "A" per Lunch Cost (Line 1 divided by Line 2)	\$	\$

C. BREAKFAST MEAL COST COMPUTATION

This Quarter

Year to Date

1. Total Breakfast Expenses (Page 2, Column 6, Line H)	\$	\$
2. Total Reimbursable Breakfasts Served to Students		
3. Per Breakfast Cost (Line 1 divided by Line 2)	\$	\$

CERTIFICATION: I certify that the information submitted on this report is true and correct to the best of my knowledge.

Date _____ Superintendent or
Authorized Official _____ (Signature)

Contact Person _____

255

Telephone _____

E. BREAKDOWN OF EXPENSES INCURRED FOR THIS QUARTER (Round to nearest dollar.)

SS-4012-A (Page 2)

	Direct Billed School Service Fund	Direct Unbilled General Fund	Total Costs	Type "A"	Special Milk Program	School Breakfast	A-La-Carte	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. SALARIES DIRECTLY INVOLVED WITH FOOD SERVICES								
1. Administration (Director, Supervisor)								
2. Operation and Service								
3. Overtime Operation and Service								
4. All Other Salaries								
5. Total Salaries								
B. EMPLOYEE BENEFITS								
6. Bargained for Benefits (Insurance)								
7. Mandatory Coverage								
8. Total Employee Benefits								
C. CONTRACTED SERVICES (not utilities)								
D. SUPPLIES AND MATERIALS USED								
9. Food (Resale)								
10. Milk (Resale)								
11. Transportation Supplies								
12. Other Supplies & Materials (include small equipment)								
13. Total Supplies and Materials Used (Sum of Lines 9-12)								
E. TOTAL DIRECT COST (Sum of Lines 5, 8, C, 9, 10, 11 & 12)								
14. Total Excluding Food and Milk (Line E minus Lines 9 & 10)								
F. INDIRECT COSTS (See instructions) (Rate times Line 14)								
G. DEPRECIATION								
15. Equipment and Furniture								
16. Vehicles								
17. Total Depreciation								
H. TOTAL COSTS FOR ALLOCATION (Sum of Lines E, F & 17)								